

**2017**  
**CAPITAL MARKETS**

Marks: 70

Time: 3 hours

**General instructions:**

- i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*
- ii) *The question paper consists of 24 questions. All questions are compulsory.*
- iii) *Marks are indicated against each question.*
- iv) *Internal choice has been provided in some questions.*

**N.B:** *Check that all pages of the question paper is complete as indicated on the top left side.*

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| 1. What is secondary market?   | <b>1</b>     |
| 2. Name the regulators of market participants of securities market.  | <b>1</b>     |
| 3. Which exchange was the first to introduce NEAT system?  | <b>1</b>     |
| 4. Define the term 'limit order book'.   | <b>1</b>     |
| 5. What is pay-in-day?   | <b>1</b>     |
| 6. Define security VaR.  | <b>1</b>     |
| 7. Mention any two SEBI intermediaries.  | <b>1</b>     |
| 8. Write the formula for return on equity.   | <b>1</b>     |
| 9. State any two eligibilities to become a sub-broker.   | <b>2</b>     |
| 10. Write any two conditions that SEBI grants to stock broker in order to buy, sell or deal in securities. | <b>2</b>     |
| 11. State any two reasons where a trading member may be declared defaulter.                                | <b>2</b>     |
| 12. Define current ratio. What does it measure?  | <b>1+1=2</b> |
| 13. State two advantages of screen based trading system.   | <b>2</b>     |
| 14. Explain the four reforms in Indian securities market.  | <b>4</b>     |
| 15. State the eligibility to become a trading member of exchange.  | <b>4</b>     |
| 16. State the four features of activity log.   | <b>4</b>     |

17. Explain in brief any four special features of market enquiry. 4
18. Explain the role of different agencies of clearing and settlement cycle. 4
19. Explain in brief any two problems pertaining to securities settlement. 4
20. Explain any four types of turn-over ratios. 4
21. a. Explain the consequences of expulsion of trading membership in the exchange. 6  
**Or**  
 b. Explain any six norms and procedures relating to surrender of membership to the exchange.
22. a. Explain any six types of order books in NEAT system. 6  
**Or**  
 b. Explain the market phase in NEAT system.
23. a. State the process of securities settlement by NSCCL. 6  
**Or**  
 b. Explain the steps in transaction cycle with diagram. (2x3 = 6)
24. a. Explain any six conditions dealing in securities where it is deemed to be fraudulent or an unfair trade practices. 6  
**Or**  
 b. Explain the dividend or payments which are not included in dividend under Income Tax Act, 1961.

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