

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
Post-Graduate Department of Commerce (M. Com)  
M.Com Part-II, Semester-III, Semester End Examination, Repeat May 2023  
(Accounting and Finance)  
COO334: Capital Markets and Stock Exchange Operations (OA - 18A)

**Duration: 3 Hours**

**Max Marks: 60**

**Instructions:**

1. *This paper consists of NINE questions carrying Equal marks.*
2. *Question No.1 consists of 5 Compulsory questions of 2 marks each.*
3. *Answer any FIVE questions from question 2,3,4,5,6,7,8 and 9.*
4. *Each question carries 10 marks. Figures to the right indicate marks.*

Q.1. Write short notes on the following: (10)

- a. Red-Herring Prospectus
- b. Merchant Banker
- c. NEAT System
- d. Free-Float Market Capitalization
- e. Value at Risk Margin

Q.2. SEBI's primary objective is to protect the interest of investors and the development of the Indian Securities Market. Elaborate the Role of SEBI in Investor Protection the Primary Secondary Market. (10)

Q.3.A. Differentiate between Fixed Pricing and Book-Built Pricing in the context of the Primary market. (5)

B. Describe briefly the role of various Intermediaries in the Secondary Market. (5)

Q.4. On successful opening of trading account, an investor can place order for trade from the various options provided by the broker. Discuss Briefly the types of Orders based on Price and Quantity Conditions stating examples. (10)

Q.5.A. Diagrammatically illustrate with the help of an example the various activities on the day of settlement. (7)

B. Discuss the important features of Block Deals and their implications on the Indian Stock Market. (3)

Q.6.A. Following table shows the constituents of S&P SENSEX index as on 1995 comprising of Five stocks.

Company	Market Price (Rs.)	No. of Equity Shares
X	2,010	30,000
Y	270	20,000
Z	950	15,000
P	1,500	10,000
Q	1,920	25,000

The current market price for the stocks are as follows:

X – Rs. 2,000, Y – Rs. 300, Z- Rs. 1,200, P- Rs. 1,350 and Q – Rs. 1,900.

Calculate Weights of each stock in the S&P SENSEX Index and the current S&P SENSEX index value. (6)

B. The Nifty Index is comprised of three stocks namely A, B and C. Company A has 10,000 shares of which 4,000 are held by Directors and currently traded at Rs.100 per share, Company B has 15,000 shares of which 10,000 shares are traded in the market at Rs. 120. Company C has 20,000 outstanding shares of which 5,000 are held by Government and the balance are freely traded in the open market at Rs. 180. Assume market capitalization in the year 1995 was 30,00,000. Also calculate the percentage change in NIFTY Index value. (4)

Q.7.A. An Index provides with information about the entire market behaviour. Explain the Importance of an Index in the Stock Market. (5)

B. Discuss the difference between Thematic Indices and Sectoral Indices in the Indian Stock Market. (5)

Q.8. Risk in the Clearing and Settlement arise on account of various reasons. Explain briefly the various types of risks in the Clearing and Settlement process. (10)

Q.9. A sound risk management system is an integral part in the efficient clearing and settlement system. Discuss briefly the various Risk management measures adopted in the Indian Stock Market. (10)

\*\*\*\*\*Best Wishes\*\*\*\*\*