



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.Com. DEGREE EXAMINATION - COMMERCE

THIRD SEMESTER – NOVEMBER 2013

CO 3810 - INDIAN SECURITIES MARKET

Date : 07/11/2013
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART - A

Answer All Questions

(10*2=20)

1. Define spot market.
2. State the objectives of SEBI
3. Name the regulatory authorities connected to the capital market activities
4. Identify the advantages of online trading of securities
5. What is meant by price rigging?
6. Distinguish between equity shares and preference shares
7. In what sense OFCD are superior to ordinary debentures?
8. Who are FIIs?
9. Give the names of depositories in India
10. When and how would you create butterfly spread?

PART - B

Answer Any Four Questions

(4*10=40)

11. How important the financial system is to the economy? Describe the constituents of financial system.
12. Define securities market. Enumerate the significance of securities market to the economic development of a country.
13. Distinguish between capital market and money market. Explain the functions of intermediaries in the capital market.
14. Enlist the characteristics and importance of overseas market instruments FCCBs, ADRs, and IDRs.
15. Elucidate the steps involved in the issue of securities and the intermediaries relating to the primary market.
16. What is offer document? Explain the contents of offer documents.
17. The current market price of Assets Ltd's share is Rs.350. Call option with a strike price of Rs.325 is priced at Rs.32 per share. You are required to find out (a) the intrinsic and time value per share.

(b) If stock price increases to Rs.400, how much profit the call holder can make and what would be the maximum pay off in the event of rise or fall in market price?

PART - C

Answer Any Two Question

(2*20=40)

18. Discuss the objectives of SEBI and the capital market reforms of introduced by Securities Exchange Board of India.
19. Distinguish between primary market and secondary market and explain the functions of stock exchanges in the secondary market.
20. Enumerate the functioning of depository and depository participants and explain the merits of depository system.
21. Define derivatives. Explain various derivative products stating their distinctive characteristics and their applications.
