



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**M.Com. DEGREE EXAMINATION – COMMERCE**

**THIRD SEMESTER – NOVEMBER 2014**

**CO 3810 - INDIAN SECURITIES MARKET**

Date : 01/11/2014  
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

**PART – A**

**Answer All questions:**

**(10\*2=20)**

1. Define Financial System.
2. Who are the constituents of 'Primary market'?
3. Name any four financial assets
4. Expand ASBA, NSCL, FPO, GDR
5. Who are Qualified Institutional Buyers?
6. State the benefits of FII investment in the Indian capital market
7. What do market indices convey?
8. Mention any two Exchange Traded Funds.
9. Distinguish between speculators and arbitrageurs.
10. Write a note on Money Market Mutual Funds.

**PART – B**

**Answer any FOUR questions:**

**(4\*10=40)**

11. Describe the constitutions of financial system and their importance to the economy.
12. Define Capital market. Explain the interface between debt market and equity market.
13. Write note on (a) Sweat equity shares (b) Shares with differential voting rights.
14. What is book building issue? Explain the functions of Registrar to Issue, Share transfer agent, and Lead managers.
15. Define Forward contract. Distinguish between Forward Contract, and Futures Contracts.
16. What is money market? Explain the types of money market instruments.
17. The shares of ITC are trading at Rs.350 in the spot market. A call option in the stock with a strike price of Rs. 340 is priced at Rs. 17. You are required to (a) find out intrinsic value and time value of call option (b) if share price increases to Rs. 410, what will be the pay off to the holder and to the writer of option? (c) What would be the maximum profit/loss to the holder in the event of an unlimited increase in share price?

**PART – C**

**Answer any TWO questions:**

**(2\*20=40)**

18. State the objective of SEBI. Explain the reforms introduced by SEBI to the growth and development of capital market in India.
19. Write a notes on:
  - (a) Foreign Currency Convertible Bonds
  - (b) American Depository Receipts
  - (c) Global Depository Receipts
  - (d) Indian Depository Receipts
20. Who are depository participants? Enumerate the functions of depository, depository participant, and the advantages of depository system
21. What is Option Contract? Illustrate the trading strategies using long and short positions in the call and put options.

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