

MBFM 4004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2014/JANUARY 2015.

Fourth Semester

Finance

SECURITY MARKET OPERATIONS

Maximum : 100 marks

Time : Three hours

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of the following :

1. What are the powers and functions of SEBI?
2. What are the key factors affecting FIIs?
3. Explain the constituents of Indian capital market?
4. Explain the SEBI guidelines for Stock Option or Employees Stock Option Scheme (ESOP).
5. What are the functions of Stock Exchange?
6. Explain the procedure of Registration of custodian of services inspection under SEBI (Custodian of Securities and Regulation) Act 1996.

7. What are the factors influencing the prices of a security in a stock market?

8. What are the Services provided by Investment Information And Credit Rating Agency Of India Limited (ICRA)?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of the following.

9. Explain the SEBI guidelines for Foreign Institutional Investment (FII).
10. Explain the various methods being adopted by corporate entities for marketing the securities in the New Issue Market. And also explain their advantages and disadvantages.
11. What are the various debt instruments in International financial market?
12. Explain mechanics of security trading in stock exchanges.
13. Explain the Procedure for action in case of default.
14. What are the obligations and responsibilities of custodian?
15. Explain the Methodology for Credit Rating.
16. Explain the features of Stock Index Futures.

2

MBFM 4004

PART C — (1 × 20 = 20 marks)

Compulsory.

17. Case Study

A Public company is currently trading at a 52-week low. The company's current quarterly reporting is on schedule with analysts and management's predictions. The Management team is looking to raise money to fund a project, which they believe will double the company's EBITDA. What options do you advise the company to pursue in order to raise the necessary capital from the capital market?

3

MBFM 4004