

**BACHELOR OF BUSINESS ADMINISTRATION
FIFTH SEMESTER
STOCK MARKET OPERATION
BBA – 502C**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

- Which of the following is a function of the Securities and Exchange Board of India?
 - Promote fair practices and prohibit fraudulent activities related to securities trading.
 - Check price rigging of securities.
 - Prohibit insider trading by barring companies from buying their shares in the secondary market.
 - All of the above.
- A financial market is a market where financial instruments are bought and sold. The capital market:
 - Is where longer term securities are issued and traded.
 - Is supported by the foreign exchange and derivatives market.
 - Incorporates the equity market, corporate debt and government debt markets
 - All of the given answers are correct.
- How many companies are included in the SENSEX?
 - 30
 - 50
 - 111
 - 25
- A speculator with a bullish view on a security can-
 - buy stock futures
 - buy index futures
 - sell stock futures
 - sell index futures
- The Stock Market trading time in India (NSE and BSE) is:
 - 9:00 AM to 5:30 PM
 - 10:00 AM to 4:30 PM
 - 9:45 AM to 3:00 PM
 - 9:15 AM to 3:30 PM
- Identify the false statement.
 - Futures contracts trade on a financial exchange.
 - Futures contracts are marked to market.
 - Futures contracts allow fewer delivery options than forward contracts.
 - Futures contracts are more liquid than forward contracts.
- Debenture holders of a company are its:
 - Owners
 - Creditors
 - Debtors
 - Directors

8. What is DEMAT?
- An account that is used to hold shares and securities in electronic format.
 - Dematerialization of liquidity
 - Nodal agency to keep a watch on the movements of shares.
 - Decentralized Members of Abroad Transactions.
9. What is FII?
- Financial Investors Institute
 - Foreign Investors in India
 - Fair Investment in Industries
 - Foreign Institutional Investors
10. Role of merchant banker is/are:
- Maintenance of books
 - Agreement with issuing company
 - Action by RBI
 - All of the above
11. OTCEI stands for:
- Over the cost exchange India
 - Over the counter exchange India
 - Over the counter establishment India
 - Over to counter exchange India
12. Which of the following is not a part of Credit Rating agencies?
- CRISIL
 - ICRA
 - CARE
 - NIKKEI
13. The first computerised online stock exchange in India was:
- NSE
 - BSE
 - MCX
 - Commodity
14. Nifty is the indicator of which stock exchange?
- Bombay Stock Exchange
 - Coimbatore Stock Exchange
 - National Stock Exchange
 - Bangalore Stock Exchange
15. Intermediaries in primary market (new issue market) are:
- Merchant bankers
 - Underwriters
 - Bankers to issue
 - All of the above
16. Stock market companies are traded in.....
- Exchange market
 - Over the counter market
 - Both a & b
 - None of the above
17. NSDL stand for
- National Securities Depository LIMITED
 - National Securities Deposit Limited
 - National Savings Depository limited
 - None of the above
18. By hedging a portfolio, a bank manager
- Reduces interest rate risk
 - Increases reinvestment risk.
 - Increases exchange rate risk
 - Increases the probability of gains.
19. NSE Nifty index consist of-
- 20 stocks
 - 50 stocks
 - 100 stocks
 - 150 stocks

20. SENSEX is the index of-
- a. Bombay stock exchange
 - b. National stock exchange
 - c. New York stock exchange
 - d. None of the above

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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

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| 1. a) Define Securities market. Discuss the functions of Securities markets. | 5+5=10 |
| b) Discuss the trading mechanism, settlement and trading hours, market indexes and market regulations of Indian securities market. | |
| 2. What are the primary and secondary market intermediaries of Securities market? | 10 |
| 3. Write a note on SEBI and also explain Depositories Act, 1996 | 10 |
| 4. Define Futures. Explain the Futures trading mechanism in India | 10 |
| 5. a) Explain the concept of credit rating agencies. | 5+5=10 |
| b) Write the meaning of ADR and GDR | |
| 6. "BSE is considered as the oldest stock exchange in India"- Give a note on BSE. | 10 |
| 7. Explain and state the differences between forward contract and future contract? | 10 |
| 8. Discuss the legal framework of Investor Protection in India. | 10 |

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