

**BACHELOR OF BUSINESS ADMINISTRATION
FIFTH SEMESTER [SPECIAL REPEAT]
STOCK MARKET OPERATION
BBA – 502C**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

Marks: 20

(Objective)

Choose the correct answer from the following:

1 × 20 = 20

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

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

20. SENSEX is the index of-

a. Bombay stock exchange

c. New York stock exchange

b. National stock exchange

d. None of the above

(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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