**STAY HOME STAY SAFE**

**Atal Bihari Vajpayee Vishwavidyalaya, Bilaspur(Chattisgarh)**

**Department Of Commerce and Financial Studies**

**Question Bank**

**M.Com- IV Semester(Finance)**

**Subject-Securities Market Operation**

**Select the Correct Answer (MCQ)**

(Multiple Choice Questions)

1. Place where trades of securities such as stocks & bonds takes place:
2. Primary market
3. Secondary market
4. Stock market
5. **Securities market**
6. Parts of Offer Document are:
7. Scheme information Document
8. Statement of additional document
9. **Both a & b**
10. None of the above
11. First and foremost document of a mutual fund is:
12. **Offer document**
13. Prospectus
14. Both a & b
15. Statement of additional information
16. Role of merchant banker are:
17. Maintenance of books
18. Agreement with issuing company
19. Action by RBI
20. **All of the above**
21. Parts of security market are:
22. Primary market
23. Secondary market
24. **Both a & b**
25. New issue market
26. Intermediaries in primary market (new issue market) are:
27. Merchant bankers
28. Underwriters
29. Bankers to issue
30. **All of the above**
31. Role of new issue market are:
32. Liquidity
33. Diversification
34. Reduction in cost
35. **All of the above**
36. Functions of new issue are:
37. Origination
38. Underwriting
39. Distribution
40. **All of the above**
41. Methods of floatation are:
42. Offer through prospectus
43. Offer for sale
44. Book building
45. **All of the above**
46. Types of pricing of issue:
47. Fixed price issue
48. Book built issue
49. **Both a & b**
50. None of the above
51. Stock market companies are traded in.................?
52. Exchange market
53. Over the counter market
54. **Both a & b**
55. None of the above
56. What is the function of stock exchange?
57. Safety
58. Liquidity
59. Speculation
60. **All of the above**
61. Which of these is not important in stock market?
62. Investor growth
63. Savings
64. **Contribution to the economy**
65. None of the above
66. A ...........order should have a TIME IN FORCE value?
67. Market order
68. Stop loss order
69. Limit order
70. Stop loss limit order
71. IPO stands for.........? **Initial public offering**
72. NEAT stands for......? **National exchange for automated trading**
73. SBTS stands for......? **Screen based trading system**
74. IBTS stands for…? **Internet based trading system**
75. Who introduced SBTS?
76. BSE
77. **NSE**
78. Both a & b
79. RBI
80. Who is the member/broker in stock exchange?
81. Jobbers
82. Hedgers
83. Arbitrageurs
84. **Both a & c**
85. For issuing fresh share capital all applications should be submitted to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the prescribed form.(SEBI)
86. New company can issue shares at a premium. (True/**False**)
87. Allotment of shares to NRIs is not allowed without the approval of RBI. (**True/**False)
88. When a company make public issue of shares for the very first time it is referred to as:
89. Private placement
90. Offer for sale
91. **Initial public offer**
92. Right issue
93. Right issue can be made only in respect of fully paid up shares. (**True**/False)
94. The right issue should be open for minimum period of :
95. 20 days
96. **30 days**
97. 10 days
98. 25 days
99. NSE establishment year is \_\_\_\_\_\_\_\_\_.
100. **1992**
101. 1882
102. 1998
103. 1875
104. FIIs have been permitted to invest in unlisted securities. (**True**/False)
105. SCRA stands for \_\_\_\_\_\_\_\_\_\_\_\_.( Securities Contracts (Regulation) Act)
106. IPO stands for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.(Initial Public Offer)
107. OTCEI stands for:
108. Over the cost exchange India
109. Over the counter exchange India
110. Over the counter establishment India
111. Over to counter exchange India
112. NSE Stands for:
113. National society estate
114. Nation Stock Exchange
115. **National stock Exchange**
116. National security Exchange
117. which of the following is not a promoter in OTCEI:
118. IDBI
119. GIC
120. UTI
121. Merchant Bankers
122. OTCEI was started in:
123. 1990
124. 1995
125. 1992
126. 1998
127. functions of OTCEI include:
128. Procurement of capital
129. Liquidity
130. Quick settlement
131. All of the above
132. OTCEI was promoted as a model of:
133. Indian form of NASDAQ
134. Recognized stock exchange
135. Ring less, transparent computerized security market
136. Above all
137. Objective behind setting OTCEI was:
138. Raising capital at low cost
139. Safety and convenience to investors
140. Liquidity to small company share
141. All of the above
142. Features of OTCEI is:
143. Ring less trading system
144. Investors Registration
145. National Network
146. All of the above
147. Expand SMI:
148. Security Market Institution
149. Security Market Indicator
150. Security Margin Indicator
151. Security Marketing Institution
152. When was NSE established
153. 1996
154. 1995
155. 1994
156. 1993
157. What is the full form of Demat …………….
158. **Dematerialisation**
159. Rematerialsition
160. Depository
161. None of the above
162. NSDL stand for ……….
163. **National Securities Depository LIMITED**
164. National Securities Deposit Limited
165. National Savings Depository limited
166. None of the above
167. CDSL stands for ………
168. Central distributors depository limited
169. **Central Securities Depository limited**
170. Central securities deposit limited
171. Nine of these
172. DIS stands for ………….
173. **Delivery instructions Slip**
174. Delivery instructions securities
175. Depository instructions slip
176. None of the above
177. REMAT stands for …………
178. **Rematerialsition**
179. Dematerialisation
180. Reutilization
181. None of the above

**Short Answer Type Questions**

1. What is security?
2. What is security market?
3. What do you mean by primary market?
4. Explain modes of raising capital in primary market?
5. Who are the Intermediaries in primary market?
6. What do you mean by secondary market?
7. What are the roles of new issue market?
8. What are the functions of new issue market?
9. What is pricing of issue?
10. What is Offer Document & its parts?
11. What are the roles of a Merchant Banker?
12. Write down the meaning of stock market. And also explain its 3 importance?
13. What is the definition of stock market? Write down its function?
14. Explain –

Limit order

Stop loss order

Market order

1. Define screen based trading system and its features?
2. What are the eligibility requirements to become a stock exchange broker?
3. Write down the SEBI guidelines for first issue by new companies in primary market.
4. What do you mean by Initial public offer?
5. Explain in brief:
6. Book-building
7. Bonus issue
8. Explain the terms:
9. Merchant banker
10. Portfolio manager
11. Define SCRA.
12. Explain Corporatization and demutualization of stock exchanges.
13. Write down the objectives of listing of securities.
14. Define minimum public offer.
15. Write down the full form of:
16. FII
17. IPO
18. SCRA
19. SEBI
20. BSE
21. NSE
22. NYSE
23. CSE
24. Name any 8 entities/funds which can be registered as FII.
25. Expand OTCEI. Give its meaning and function.
26. What are the objectives of OTCEI
27. Name and explain 5 promoters involved in OTCEI.
28. Give any 5 functions of OTCEI
29. State in brief the significance of OTCEI
30. Explain the functioning of NSE
31. Expand SMI. Give its definition and meaning
32. Briefly explain the need of SMI.
33. Explain 5 features of BSE.
34. Give 5 features of NSE.
35. What is Dematerialization
36. What is Rematerialsition?
37. What are the 2 features of Demat Account?
38. Who is DP?
39. What do you understand from depositories?
40. Who is custodian?
41. What is the role of depositories?
42. What are the 2 significance of Demat account?
43. How to open Demat account?
44. What are the difference between banks and custodian?
45. Explain BSE.
46. What is Mutual Fund.
47. Why the Mutual Fund Subject is to market Risk.
48. What is Floatation?

**Long Answer type questions**

1. What is Security? Explain security market & its parts?
2. What is primary market & intermediaries involved in primary market?
3. What are the role & functions of new issue market?
4. Distinguish between new issue market & secondary market?
5. What is the method of floatation?
6. Briefly explain the types of order in stock market.
7. State the various types of members who are involved in stock exchange.
8. Mention the trading and settlement procedure in stock market.
9. State the various types of orders in stock market.
10. State the meaning, functions and importance of stock market.
11. What do you mean by IPO? What are the factors must be kept mind while studying an IPO offer document?
12. Explain primary market? Write down the functions of primary market under SEBI?
13. Define stock exchange. Explain any 5 stock exchanges.
14. Define SEBI. Write down investor’s protection measures taken by SEBI.
15. Explain:
16. Stock exchange
17. Recognized Stock Exchange
18. SCRA
19. Demutualisation
20. Write down the listing procedures.
21. Write down the merit, demerit & qualification of listing.
22. What are the Regulations for Investing in Indian Companies?
23. What FIIs can do?
24. What Is a Foreign Institutional Investor (FII)? Write down the FII investment limits.
25. Give the meaning, objectives and function of OTCEI.
26. What is the significance of OTCEI?
27. What is the procedure for listing in OTCEI?
28. Explain the trading mechanism in OTC.
29. Explain trading pattern of NSE.
30. Explain the need and importance of SMI.
31. Elucidate objectives and functions of OTCEI
32. Explain the need and importance of SMI.
33. Expand BSE. Explain its meaning and functions.
34. Expand NSE. Explain its meaning and functions.
35. Write down the meaning and features of Demat account?
36. How the DEMAT is different from the REMAT?
37. What are the prescribed guidelines of SEBI regarding Demat Trading?
38. What is the role of depositories?
39. Explain the procedure of Demat Trading?
40. Write the significance of Demat.
41. Detailed explanation of custodian. Explain.
42. Write short notes on Stock exchange and Recognized Stock Exchange
43. Explain the functioning of NSE and BSE.
44. Explain the features of BSE and NSE.

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