

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION MAY 2025  
(Sixth Semester)

Branch - CORPORATE SECRETARYSHIP

**SECURITIES LAWS AND FINANCIAL MARKETS**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Which of the following is a feature of equity shares?  
(i) Fixed dividend payment (ii) No voting rights  
(iii) Ownership in the company (iv) Issued only to employees
- 2 Who has the authority to grant recognition to a stock exchange?  
(i) Reserve Bank of India (ii) Ministry of Finance  
(iii) Securities and Exchange Board of India (iv) Central Government
- 3 Which of the following is a primary market activity?  
(i) Buying stocks from the secondary market (ii) Company issuing shares through an IPO  
(iii) Trading of government bonds (iv) Short-selling in the stock market
- 4 What is meant by 'book closure' in stock exchange operations?  
(i) The temporary suspension of trading in a specific stock  
(ii) The process of closing the market for the day  
(iii) The period when a company stops registering transfers of shares to prepare for dividend payments  
(iv) The final day for submitting new securities to the exchange
- 5 What role do depository participants (DPs) play in the depository system?  
(i) They manage the stock exchange operations  
(ii) They act as intermediaries between the depository and investors  
(iii) They issue new securities to the public  
(iv) They set the interest rates on government securities

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a State the primary purpose of the capital market.  
OR  
b Outline the significance of options and futures.
- 7 a Explain the scope of the Securities Contracts (Regulation) Act.  
OR  
b Describe the term "stock exchange".
- 8 a Explain the key public issue management guidelines for merchant bankers.  
OR  
b Analyse the role of intermediaries in the secondary market.
- 9 a Describe margin trading, and how does it work in the stock market?  
OR  
b Narrate the role of a market maker in the stock exchange.

Cont...

- 10 a Explain "dematerialization" of securities.  
OR  
b Outline the concept of the "free transferability of securities"

**SECTION -C (30 Marks)**

Answer any Three questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

- 11 Discuss the major instruments of the money market.
- 12 Enumerate the functions of SEBI.
- 13 Elucidate the role of SEBI in ensuring investor protection in India.
- 14 Summarise how National Securities Clearing Corporation Limited manages the clearing and settlement of trades.
- 15 Analyse the concept of credit rating and its significance in the financial markets.

Z-Z-Z

END