



# SOMAIYA

## VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaiya School of Commerce and Business Studies



### QUESTION PAPERS

<b>BRANCH: Bachelor of Commerce</b> <b>(Financial Market)</b>	<b>SEM: IV</b>
	<b>OCT/NOV-2023</b>

Sr. No.	Subject	Available
1.	131U04C302 – Equity Market I (A)	
2.	131U04C302 – Equity Market I (B) , (C)	
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Semester (July 2023 to October 2023)		
Examination: End Semester Examination October/November 2023 (UG/PG Programmes)		
Programme code: 04 Programme: BFM	Class: SY	Semester: IV
Name of the Constituent College: S K Somaiya College	Name of the Department    Accounting and Finance	
Course Code: 131U04C302	Name of the Course: Equity Market I	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1)Draw neat diagrams    2)Assume suitable data if necessary		

Question No.		Max. Marks	Co Attainment
Q.1	a. Elaborate on the concept of market capitalization. Contrast the features of large, mid and small cap companies. (07 M) b. Examine the various methodologies adopted by companies to price their issue during IPO. (08 M) OR c. Discuss the role played by SEBI in regulating capital markets. State the guidelines framed by SEBI for IPO. (15 M)	15 M	CO 03 CO 02 CO 01
Q.2	a. Describe the factors impacting volatility. (07 M) b. Highlight the categories of Investors in IPO. (08 M) OR c. Comment on the innovations in Indian Equity Markets in the past one decade. (15 M)	15 M	CO 02 CO 04 CO 04
Q.3	a. State the functions of the capital market. (07 M) b. Outline the role of depositories in the stock market. (08 M) OR c. Consider an investor who is looking to invest in the stock market. They are interested in both the Indian and global markets. What are the different stock exchanges that they can invest in, and what are some important indices that they should track? (15 M)	15 M	CO 01 CO 02 CO 03
Q.4	<b>Answer the following Conceptual Questions: (03 Marks Each: All questions are Compulsory)</b> a. You are a shareholder in a publicly-traded company. The company announces a buyback of its own shares. How would you evaluate whether participating in this buyback is a sound financial decision for you as an investor? Provide your analysis and reasoning. b. Separation of ownership and management impact the governance of listed companies. Comment with example. c. Amid an initial public offering (IPO) boom, a retail investor wants to buy shares of a newly listed tech company. Explain the	15 M	CO 04 CO 01 CO 04

	<p>impact of retail investor participation in IPOs and their potential influence on stock prices.</p> <p>d. You are a trader who is considering placing an order to buy 100 shares of Company A. The current market price of Company A is Rs 100 per share. What are the different types of orders that you can place?</p> <p>e. Compare and contrast the features of public and private issues of securities.</p>		<p>CO 03</p> <p>CO 02</p>
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Question No.		Max. Marks	Co Attainment
Q.1	a. Examine the advantages and drawbacks of ASBA for investors in the overall IPO process. (07 M) b. Imagine you are a financial advisor, and a client is considering investing in a company's equity shares. Explain to your client the key characteristics of equity shares. (08 M) OR c. Visheshwar Enterprises, an SME organisation, is launching its IPO. Discuss the various methods it can consider to price its IPO. Explain the stages of the Book Building Process. (15 M)	15 M	CO 02  CO 01  CO 02
Q.2	a. Highlight the advantages and drawbacks of Buy Back. (07 M) b. Company A is a private company that is considering going public. The company's management team is debating whether to list the company's shares on a stock exchange or not. What are the factors that Company A's management team should consider when deciding whether to list the company's shares on a stock exchange. (08 M) OR c. Discuss the factors that have contributed to the development of an equity culture in India. Identify the key participants in the equity market who play significant roles in its growth and functioning (15 M)	15 M	CO 04  CO 03  CO 01
Q.3	a. Outline the various types of prospectus issued in the primary market. (07 M) b. Describe Volatility. Elaborate on the India VIX and its role in assessing market volatility (08 M) OR c. Describe the trading, clearing and settlement of stocks in India (15M)	15 M	CO 02  CO 04  CO 03
Q.4	Answer the following Conceptual Questions: (03 Marks Each: All questions are Compulsory) a. You are an investor who is interested in investing in the stock market. You want to track the performance of the market and	15 M	CO 03

	<p>compare the performance of different sectors and industries. Which stock market indices would you recommend tracking, and why?</p> <p>b. Outline the technique of raising funds in the primary market through the private placement route.</p> <p>c. Grey markets for IPOs influence the pricing of shares before they are officially listed. Comment.</p> <p>d. A retail investor is considering adopting robo-advisory services for their stock portfolio. How would you evaluate the impact of recent innovations in the equity market, such as robo-advisors, on the investor's experience and investment decisions?</p> <p>e. Suppose you are an economic analyst advising a foreign investor interested in the Indian market. What would you identify as the key drivers of corporate sector growth in India, and how might these factors impact the investor's decision to enter the market or allocate investments within the country?</p>		<p>CO 02</p> <p>CO 02</p> <p>CO 04</p> <p>CO 01</p>
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Question No.		Max. Marks	Co Attainment
Q.1	a. Highlight the characteristics of equity shares. (07 M) b. In addition to bulls and bears, which are the other animal metaphors commonly used in stock market terminology? Provide examples and explain their meanings. (08 M) OR c. Analyse the pivotal role of depositories in securities markets. What benefits do they offer to investors and market participants?. (15 M)	15 M	CO 01 CO 03 CO 03
Q.2	a. Describe the concept of the grey market and provide insights into the significance of the grey market premium and kostak rates. (07 M) b. Discuss the potential conflicts of interest that may arise in listed companies due to separation of ownership and management. (08 M) OR c. Rohan enterprise, a listed company on BSE is planning to raise money through primary equity market. Explain in detail the various methods it can consider. (15 M)	15 M	CO 02 CO 01 CO 02
Q.3	a. Examine the contribution of Foreign Institutional Investors in the stock market. (07 M) b. Outline the process of investing in public issues (08 M) OR c. Write a note on NEAT and BOLT. Explain market depth. (15 M)	15 M	CO 04 CO 02 CO 04
Q.4	<b>Answer the following Conceptual Questions: (03 Marks Each: All questions are Compulsory)</b> a. Rajesh, your friend is unwilling to buy shares in the stock market as he was told by someone that stock market is a place where various malpractices take place. He decides to discuss this matter with you. How will you explain to him how SEBI takes care of the interests of the investors? b. Compare and contrast various categories of Investors in IPO.	15 M	CO 01 CO 02

c.Examine the reasons for a government's decision to pursue disinvestment in state-owned enterprises with relevant examples.

CO 04

d. As a financial advisor, explain to a new investor the importance of carefully reviewing their contract notes. Provide examples of critical information found in these documents and how it impacts their investment decisions.

CO 03

e. Company A is a publicly traded company in India. The company's promoters are considering selling a portion of their stake in the company through an OFS.What are the advantages and disadvantages of an OFS for Company A and its shareholders?

CO 03