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# SCANNER™ Appendix

## CS Inter Gr. II (Old Course)

June - 2009

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### PAPER'S

#### Paper - 5 : Company Law

##### Chapter- 1 : Introduction

2009 - June [1] {C} Comment on the following :

- (i) The property of the company is the property of the shareholders.

(5 marks)

2009 - June [5] (b) What are the disadvantages of corporate form of enterprises ?

(5 marks)

##### Chapter- 2 : Types of Companies

2009 - June [5] (c) Define 'foreign company'. What are the documents required to be filed by a foreign company to establish a place of business in India?

(6 marks)

##### Chapter- 3 : Promoters and Formation of Companies

2009 - June [1] {C} Comment on the following :

- (iii) The word 'promoter' is not defined in the Companies Act, 1956 but the same is used in the said Act.

(5 marks)

##### Chapter- 4 : Memorandum of Association and Articles of Association

2009 - June [1] {C} Comment on the following :

- (ii) The doctrine of *ultra vires* is a protection to the shareholders.

(5 marks)

2009 - June [4] Write short notes on the following :

- (i) Alteration of objects clause of the memorandum of association  
(4 marks)

**Chapter- 6 : Concept of Capital and Financing of Companies**

2009 - June [8] (a) What is 'sweat equity'? What conditions should be satisfied for issue of sweat equity? Is there any restriction on issue of sweat equity?  
(8 marks)

2009 - June [8] (b) State the provisions of the Companies Act, 1956 regarding *any two* of the following :

- (i) Further issue of capital. (4 marks)

**Chapter- 7 : Alteration of Share Capital**

2009 - June [4] Write short notes on the following :

- (ii) Buy-back through book building (4 marks)

**Chapter- 8 : Prospectus**

2009 - June [3] (a) Discuss the statement that "it is the duty of those who issue the prospectus to be truthful in all respects."  
(8 marks)

**Chapter- 10 : Creation and Registration of Charges**

2009 - June [4] Write short notes on the following :

- (iii) Company's register of charges (4 marks)

**Chapter-12 : Membership in a Company**

2009 - June [5] (a) What are the liabilities of a person whose name is entered as a member in the register of members of a company limited by shares?  
(5 marks)

**Chapter-13 : Transfer and Transmission of Securities**

2009 - June [1] {C} Comment on the following :

- (iv) Board of directors has no discretion to stop the share transfer.  
(5 marks)

2009 - June [3] (b) Enumerate the benefits of depository system. (8 marks)

2009 - June [7] (a) You are the Secretary of a public limited company. Raja, member, has lodged a share transfer deed duly stamped and executed by guardian for transfer of shares in favour of Mohan, a minor. The shares are fully paid-up. Will you recommend transfer of shares in favour of the minor? Will your answer be different, if the articles of association of the company contain a provision prohibiting transfer of shares in favour of a minor?  
(8 marks)

(b) John, the transferee, executed transfer of shares and the transfer deed and the original share certificates were handed over by the transferor to John for lodging with the company. However, the documents were lost in transit. Advise, as a Practising Company Secretary, how John can obtain the shares transferred in his name. Will your advice be different if only the transfer deed is lost and the share certificates are not lost?  
(8 marks)

**Chapter-14 : Institution of Directors**

**2009 - June [1] {C}** Comment on the following :

- (v) Increase in managerial remuneration shall not have any effect unless it is approved by the Central Government. (5 marks)

**2009 - June [4]** Write short notes on the following :

- (iv) Office or place of profit (4 marks)

**Chapter-15 : Powers and Duties of Directors**

**2009 - June [8]** (b) State the provisions of the Companies Act, 1956 regarding of the following :

- (iii) Disclosure of interest by directors and recording thereof. (4 marks)

**Chapter-19 : Meeting - II**

**2009 - June [6]** (a) What is a 'proxy' ? Who are entitled to inspect proxies ? In what type of companies proxies are not allowed ? (8 marks)

**Chapter-21 : Deposits**

**2009 - June [4]** Write short notes on the following :

- (v) Advertisement inviting deposits. (4 marks)

**Chapter-23 : Audit**

**2009 - June [6]** (b) What are the rights of a retiring auditor ? When is the Central Government empowered to appoint auditor of a company under section 224(3) ? (8 marks)

**Chapter-24 : Divisible Profits and Dividends**

**2009 - June [8]** (b) State the provisions of the Companies Act, 1956 regarding *any two* of the following :

- (ii) Treatment of unclaimed dividend. (4 marks)

**Chapter-32 : Objectives Questions**

**2009 - June [2]** (a) Choose the most appropriate answer from the given options in respect of the following :

- (i) Auditors of a Government Company is appointed by the –
  - (a) Governor of the State
  - (b) Accountant General of the State
  - (c) Comptroller and Auditor General of India (CAG)
  - (d) State Government in consultation with the CAG.
- (ii) Shares passed on to legal heirs by right of inheritance is an act of –
  - (a) Transfer of shares
  - (b) Transmission of shares
  - (c) Surrender of shares
  - (d) Forfeiture of shares.
- (iii) A company may appoint a person who is of 75 years of age as its Managing Director provided –
  - (a) The approval of Central Government is obtained
  - (b) The appointment is unanimously approved by the Board

- (c) The company passes a special resolution in general meeting
- (d) The company obtains prior approval of the Registrar of Companies in this regard.
- (iv) The compulsory appointment of Company Secretary is required for a company having –
  - (a) Paid-up capital of Rs.2 crore
  - (b) Paid-up capital of Rs.5 crore
  - (c) Authorised capital of Rs.10 crore
  - (d) Turnover of Rs.100 crore.
- (v) Producer companies are permitted to donate –
  - (a) To the extent of 3% of the net profit in the preceding year
  - (b) To the extent of 3% of the gross profit in the preceding year
  - (c) To the extent of 5% of the net profit of the current year.
  - (d) To the extent of 5% of the gross profit of the preceding year.
- (vi) E-form 32 is required to be filed in connection with the cessation or appointment of–
  - (a) Company Secretary
  - (b) Manager
  - (c) Independent Director
  - (d) All the above.
- (vii) Under Section 621 A, compounding of offence is not possible when the offence is punishable with –
  - (a) Imprisonment or fine
  - (b) Fine
  - (c) Imprisonment only
  - (d) None of the above.
- (viii) Board meeting of a company can be held, if convenient to its directors –
  - (a) At any place in the world
  - (b) At any place within the city where the registered office is situated
  - (c) At any place within India
  - (d) Only at the registered office of the company. (1 mark each)

**2009 - June [2]** (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) A resolution when put to vote at a meeting shall be decided by \_\_\_\_\_ unless a poll is demanded.
- (ii) It is for the chairman to decide as to the validity of the proxies and his decision will stand, unless it was proved to the \_\_\_\_\_ to be wrong.
- (iii) The status of a member availing the services of a depository changes from that of a registered holder to that of a \_\_\_\_\_.
- (iv) Clause 49 of the \_\_\_\_\_ deals with corporate governance.

- (v) Every balance sheet and profit and loss account of a company not being a banking company, shall be signed on behalf of the Board of directors by its manager or secretary, if any, and by not less than \_\_\_\_\_ director(s) of that company, one of whom shall be managing director, where there is one.
- (vi) Where a company borrows without the authority conferred on it by its articles of association, it is an \_\_\_\_\_ borrowing.
- (vii) A company licensed under section 25, cannot alter the provisions of its memorandum of association with respect to its objects except \_\_\_\_\_.
- (viii) The right to claim compensation for any loss sustained by reason of any untrue statement in a prospectus is available only to \_\_\_\_\_ of the shares on the faith of the prospectus containing the untrue statement. (1 mark each)

<b>Paper - 6 : Company Secretarial Practice</b>
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**Chapter-2 : Alteration, changes and Modifications in the Articles and Memorandum**

- 2009 - June [6]** (a) Under what circumstances the approval of Regional Director is required for shifting of registered office of a company? (4 marks)
- (b) Under what circumstances the approval of the Central Government is to be obtained for the alteration of articles of association ? (4 marks)

**Chapter-3 : Allotment/Transfer and Transmission of shares**

**2009 - June [1] {C}** Draft specimen resolutions alongwith necessary explanatory statements, wherever required, for transacting the following items of business indicating the kind of meeting at which each resolution is to be passed and the type of resolution required for :

- (i) XL Ltd. has authorised share capital of Rs. 20 crore (2 crore shares of Rs. 10 each). The company decides to increase its authorised capital to Rs. 25 crore by adding 50 lakh new shares of Rs. 10 each. (5 marks)
- (iv) BHL Ltd. has to register transfer of 10,000 equity shares for which 50 transfer deeds along with the requisite share certificates have been lodged with the company. (5 marks)
- (v) Disposal of forfeited shares. (5 marks)

**2009 - June [2]** (c) What is 'transmission of shares'? Why neither formal instrument of transfer nor stamp duty is required in case of transmission? (4 marks)

**2009 - June [5]** (c) Write short notes on the following :

- (i) Forged transfer (4 marks)

**2009 - June [6]** (c) Explain the provisions relating to transfer of shares in the name of a minor. (4 marks)

**2009 - June [7]** You are the Company Secretary of a company. The Chairman of your company has sought your expert views on the following matters. Advise him in line with the provisions of the Companies Act, 1956 :

- (i) The Board wants to make advance payment to suppliers against supply of plant and machinery out of the share application money standing to the credit of the separate bank account. (4 marks)

**Chapter-4 : Directors and Other Managerial Personnel**

**2009 - June [1] {C}** Draft specimen resolutions along with necessary explanatory statements, wherever required, for transacting the following items of business indicating the kind of meeting at which each resolution is to be passed and the type of resolution required for :

- (ii) X was a director of ABC Ltd. All of a sudden X expired. The company decides to appoint Y to fill that casual vacancy. (5 marks)
- (iii) Appointment of auditor of PQR Ltd. in which the banks and financial institutions hold 30% of its paid-up share capital. (5 marks)

**2009 - June [4]** (a) What are the minimum and maximum number of directors, the following companies must have –

- (i) a private limited company; and
  - (ii) a public limited company. (2 marks each)
- (c) State the procedure to increase the number of directors beyond the maximum limit fixed by the articles of association. (8 marks)

**2009 - June [7]** You are the Company Secretary of a company. The Chairman of your company has sought your expert views on the following matters. Advise him in line with the provisions of the Companies Act, 1956 :

- (iii) Three of the existing directors of the company are due to retire at the next annual general meeting. The Chairman wants to re-appoint them by passing a single resolution.
- (iv) Your company wants to appoint Danny, who is the managing director of another company, as the managing director of your company. (4 marks each)

**Chapter-5 : Membership in a Company**

**2009 - June [3]** (b) What do you mean by 'variation of member's rights'? State the procedure for variation of member's rights. (8 marks)

**2009 - June [8]** (c) Define 'member' of a company. Explain the different modes of acquiring membership in a company. (8 marks)

**Chapter-6 : Meetings**

**2009 - June [2]** (b) What are the resolutions/agreements required to be filed with the Registrar of Companies under section 192? (4 marks)

**2009 - June [4]** (b) Draft a notice to be published in the newspaper regarding forthcoming annual general meeting of your company. (4 marks)

**2009 - June [5]** (c) Write short notes on the following :

(ii) Audit committee. (4 marks)

**2009 - June [8]** (b) Explain the provisions regarding the frequency of Board meetings in case of a listed company. (4 marks)

**Chapter-7 : Preparation of Annual Reports**

**2009 - June [7]** You are the Company Secretary of a company. The Chairman of your company has sought your expert views on the following matters. Advise him in line with the provisions of the Companies Act, 1956 :

(ii) Chairman (Executive) plans to reshuffle the Board in terms of clause 49 of the listing agreement. (4 marks)

**Chapter- 9 : Public Deposits**

**2009 - June [3]** (a) Who are 'small depositors'? Outline the special provisions in the Companies Act, 1956 to protect the interests of small depositors. (8 marks)

**2009 - June [6]** (d) Explain the overall limit for the government company and non-government company regarding the acceptance of public deposits. (4 marks)

**Chapter-11 : Declaration and Payment of Dividend**

**2009 - June [5]** (a) What are the various sources of funds out of which a company can declare dividend? (4 marks)

(b) What is the time schedule for payment of dividend a company has to follow after declaring dividend at the annual general meeting ? (4 marks)

**Chapter-15 : Developments in Company Law**

**2009 - June [8]** (a) What are the functions of the Secretarial Standard Board of the ICSI ? (4 marks)

**Chapter-16 : Objective Questions**

**2009 - June [2]** (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Every company, after appointing its auditor at its annual general meeting, is required to intimate the auditor of his appointment within \_\_\_\_\_ days.
- (ii) The first auditor of a company must be appointed by the \_\_\_\_\_ within one month of its incorporation.
- (iii) Buy-back must be completed within \_\_\_\_\_ month (s) from the date of passing the requisite resolution.
- (iv) Maximum number of directors in a producer company is \_\_\_\_\_.

- (v) A penal rate of interest of \_\_\_\_\_ % per annum is payable for the overdue period in case of public deposits matured and claimed but remaining unpaid.
- (vi) Notice of situation or change of situation of the registered office of a company is filed with the Registrar of Companies in Form No. \_\_\_\_\_.
- (vii) Under the head 'inter-corporate loans and investments', the ceiling is 60% of paid-up share capital and free reserves or 100% of its free reserves whichever is \_\_\_\_\_.
- (viii) Unpaid dividend is transferred to unpaid dividend account of the company within \_\_\_\_\_ days from the date of expiry of 30 days from the date of the declaration of dividend. (1 mark each)

**Paper - 7 : Economic, Labour and Industrial Laws**

**Chapter-4 : Restrictive Trade Practices**

**2009 - June [3]** (a) Distinguish between of the following :

- (iii) 'Unfair trade practice' and 'restrictive trade practice'. (5 marks)

**Chapter-6 : The Competition Act, 2002**

**2009 - June [1] {C}** With reference to the relevant legal enactments, write short notes on the following

- (iii) Competition policy (3 marks)
- (v) Bid rigging (3 marks)

**2009 - June [4]** (a) Mention the duties, powers and functions of the Competition Commission of India. (9 marks)

**Chapter-8 : Regulation and Management of Foreign Exchange**

**2009 - June [3]** (a) Distinguish between of the following :

- (i) 'Current account transaction' and 'capital account transaction'. (8 marks)

**2009 - June [4]** (b) With reference to the relevant provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, advise on *any three* of the following :

- (i) Shashi, an Indian resident, has received a letter from her friend Ruchi, an NRI to visit India on a business trip for 15 days. Shashi is interested to incur expenditure on her hospitality.
- (ii) Aditya wants to draw foreign exchange for attending a conference in Bangladesh.
- (iii) Rohit, a person resident in India, is keen to make a gift of US\$ 2,500 to his brother Mohit who is a resident outside India on the occasion of his marriage.

- (iv) An Indian party, after having won the bid, approached an authorised dealer for further remittance towards acquisition of a foreign company.  
(2 marks each)

**Chapter-9 : Management & Regulation of Foreign Contributions and Hospitality**

**2009 - June [3]** (a) Distinguish between of the following :

- (ii) 'Foreign contribution' and 'foreign hospitality'. (5 marks)

**Chapter-10 : Money Laundering**

**2009 - June [1] {C}** With reference to the relevant legal enactments, write short notes on the following :

- (ii) Money laundering (3 marks)

**Chapter-11 : Consumer Protection and Corporate Responsibility**

**2009 - June [1] {C}** With reference to the relevant legal enactments, write short notes on the following :

- (i) Basic rights of consumers (3 marks)

**2009 - June [5]** (a) A contract contained an arbitration clause. One of the parties, however, made a complaint before the Consumer Disputes Redressal Forum seeking relief. The other party, in defence, pleaded that the consumer forum has no jurisdiction to entertain the complaint. Will the defending party succeed ? Give reasons . (5 marks)

**2009 - June [6]** Attempt the following :

- (i) A contract was entered into between the landlord and the tenant for hiring a residential flat at Anand Niketan, Mumbai. Contrary to the contract, the landlord refused to provide the agreed facilities to the tenant. As a consequence, the tenant and his family members suffered ill-health and mental agony. On being aggrieved, the tenant lodged a complaint before the Consumer Disputes Redressal Forum. Will he succeed ? (5 marks)

**Chapter-12 : Pollution Control & Environmental Protection**

**2009 - June [5]** (c) State the principles of sustainable living (5 marks)

**Chapter-15 : The Environment (Protection) Act, 1986**

**2009 - June [6]** (a) Attempt the following :

- (iv) What is meant by 'hazardous substance' ? What are the provisions of the Environment (Protection) Act, 1986 relating to the handling of hazardous substances ? (5 marks)

**Chapter-16 : The National Environment Tribunal**

**2009 - June [1] {C}** With reference to the relevant legal enactments, write short notes on the following :

- (vii) Persons entitled to claim compensation under the National Environment Tribunal Act, 1995. (3 marks)

**Chapter-17 : Concept and Development in India**

**2009 - June [3]** (a) Distinguish between of the following :

- (iv) 'Intellectual property' and 'industrial property'. (5 marks)

**Chapter-18 : Patent Law and Enforcement**

**2009 - June [1] {C}** With reference to the relevant legal enactments, write short notes on the following :

- (vi) Potential infringement of a patent. (3 marks)

**2009 - June [5]** (b) Briefly mention the precautions you would take to ensure that your application for the grant of patent is not rejected. (5 marks)

**Chapter-19 : Trade Mark Law and Enforcement**

**2009 - June [1] {C}** With reference to the relevant legal enactments, write short notes on the following :

- (iv) Absolute grounds for refusal of registration of a trade mark (3 marks)

**2009 - June [6]** (a) Attempt the following :

- (iii) What are the acts which do not constitute an infringement of a trade mark? (5 marks)

**Chapter-20 : Copyright Law and Enforcement**

**2009 - June [6]** Attempt the following:

- (ii) What are the situations in which a copyright shall be deemed to be infringed ? (5 marks)

**Chapter-21 : Industrial Relations & Recruitment Laws**

**2009 - June [7] {C}** (a) Write notes on the following :

- (ii) Workers participation in management (5 marks)  
(iii) Grievance handling procedure (5 marks)

**Chapter-22 : Law relating to Recruitment and related Aspects**

**2009 - June [7] {C}** (b) Attempt of the following stating relevant legal provisions and decided case law, if any :

- (vii) Certain vacancies of posts of technical and scientific nature have occurred in an establishment. These vacancies carry a basic salary of Rs. 10,000 and above. To which employment exchange should these vacancies be notified ? (3 marks)

**Chapter-24 : The Industrial Employment (Standing Orders) Act, 1946**

**2009 - June [7] {C}** (b) Attempt of the following stating relevant legal provisions and decided case law, if any :

- (ii) During the pendency of proceedings before the industrial tribunal, the employer wants to make certain changes in the conditions of services of workmen. The said changes are, however, not in respect of any matter connected with the dispute pending before the tribunal. Can the employer do so ? (3 marks)

- (iii) A dispute arose about the payment of subsistence allowance to a suspended employee. He claimed the allowance as per the rates prescribed by the law of the particular State. The employer wanted to pay as per the rate specified in the Industrial Employment (Standing Orders) Act, 1946. Will the employee succeed? (3 marks)

**Chapter-29 : Payment of Gratuity Act, 1972**

**2009 - June [7] {C}** (b) Attempt of the following stating relevant legal provisions and decided case law, if any :

- (v) An employee retired on attaining the age of superannuation. The employer withheld his gratuity on the ground that certain criminal proceedings which had commenced prior to his retirement against him for causing mis-appropriation of substantial cash were still pending. Is the action of the employer justified ? (3 marks)

**Chapter-30 : Industrial Disputes Act, 1947**

**2009 - June [7] {C}** (a) Write notes on the following :

- (iv) Principles governing domestic enquiry. (5 marks)

**2009 - June [7] {C}** (b) Attempt of the following stating relevant legal provisions and decided case law :

- (i) Some workmen were engaged on casual basis for doing a particular urgent work. Their services were terminated after the particular work was completed. Would it amount to retrenchment ? (5 marks)

**Chapter-31 : Trade Unions Act, 1926**

**2009 - June [7] {C}** (a) Write notes on the following :

- (i) Privileges of a registered trade union (5 marks)

**2009 - June [7] {C}** (b) Attempt the following stating relevant legal provisions and decided case law :

- (vi) A registered trade union initially supported an individual dispute of a workman. The support was subsequently withdrawn by the trade union. Will the jurisdiction of the adjudicating authority be affected by such withdrawal? (3 marks)

**Chapter-34 : Workmen's Compensation Act, 1923**

**2009 - June [7] {C}** (b) Attempt the following stating relevant legal provisions and decided case law :

- (iv) An industrial undertaking engaged a person in employment to assist in one or the other operations incidental to its main industrial operations. However, the employer denied such an employee the status of a workman on the ground that his work was not directly connected with the main operations of the industry. Will the employer succeed ? (3 marks)

**Chapter-35 : Objective Questions**

**2009 - June [2]** State, giving reasons in brief, whether the following statements are true or false. Attempt *any five* :

- (i) The provisions of the Consumer Protection Act, 1986 are in derogation of the provisions of other existing laws .
- (ii) Patents, copyrights and trade marks are included in the category of intangible personal property.
- (iii) Competition kills competition.
- (iv) No government servant can, under any circumstances whatsoever, receive foreign hospitality.
- (v) An application for compensation in a pollution case can be maintained under Article 32 of the Constitution of India.
- (vi) The 'licence raj' was given a decent burial by the liberalisation policy of the government. (3 marks each)

**2009 - June [3]** (b) Re-write the following sentences after filling- in the blank spaces with appropriate word(s)/figure(s) :

- (i) The term of every patent granted under the Patents Act, 1970 shall be \_\_\_\_\_ years from the date of filing of the application for the grant of patent.
- (ii) The Trade Marks Act, 1999 allows renewal of registration for successive periods of \_\_\_\_\_ years from the date of the original registration or the last renewal.
- (iii) A person aggrieved by the decision of the Appellate Tribunal under the Foreign Exchange Management Act, 1999 has a right to appeal to the High Court within \_\_\_\_\_ days from the date of the communication of the decision of the tribunal.
- (iv) The Foreign Exchange Management (Current Account Transactions) Rules, 2000 prohibit remittances exceeding US \$ \_\_\_\_\_ by an entity in India by way of reimbursement of pre-incorporation expenses.
- (v) Every candidate for election who had received any foreign contribution at any time within \_\_\_\_\_ days immediately preceding the date on which he is duly nominated as such, the candidate is required to give an intimation as to the amount, source, manner of its receipt to the Central Government. (1 mark each)

**Paper - 8 : Securities Laws and Regulation of Financial Markets**

**Chapter-3 : Securities and Exchange Board of India**

**2009 - June [7]** (b) Evaluate the role of SEBI in regulating financial markets in India. (4 marks)

(c) What is the composition of the SEBI Board to be constituted under the SEBI Act, 1992 ? (4 marks)

**Chapter-4 : Financial Market Instruments**

**2009 - June [2]** (a) Distinguish between of the following :

- (i) 'On-tap issue' and 'fixed coupon issue'. (4 marks)

**Chapter-6 : Primary Market**

**2009 - June [3]** (a) Elucidate *any two* of the following intermediaries related to primary market :

- (i) Registrars
- (ii) Bankers
- (iii) Lead managers. (4 marks each)

**2009 - June [4]** (a) What is meant by 'custodian of securities' ? Whether a custodian is required to obtain registration before functioning in capital market? (4 marks)

**Chapter-9 : Stock Exchange**

**2009 - June [2]** (a) Distinguish between of the following :

- (iii) 'Futures' and 'options'. (4 marks)

**2009 - June [2]** (b) Define *any four* of the following terms related to securities market :

- (i) Stock trading
- (ii) Kerb trading
- (iii) Stock index
- (iv) Market lot
- (v) EDIFAR. (2 marks each)

**2009 - June [6]** (a) Explain the following terms related to securities market :

- (i) Permitted securities
- (ii) Margin trading
- (iii) Book closure
- (iv) Settlement system. (2 marks each)

(b) Explain the functioning of option trading . (4 marks)

**Chapter-10 : Credit Rating**

**2009 - June [4]** (b) Explain the following credit rating symbols :

- (i) PL-1
- (ii) P-3
- (iii) MB+
- (iv) PR-5. (1 mark each)

**Chapter-11 : Regulation of Market for Control**

**2009 - June [6]** (c) " A company cannot always buy-back its shares". Comment on this statement and state the circumstances under which a company can buy-back its shares. (4 marks)

**2009 - June [8]** (b) How is price determined for the buy-back of securities ?  
(4 marks)

(c) Explain briefly the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 relating to escrow account.  
(4 marks)

**Chapter-12 : Collective Investment Vehicles**

**2009 - June [5]** (c) "Diversification of investments reduces the investment risks". Explain.  
(4 marks)

**Chapter-13 : Non-Banking Financial Companies**

**2009 - June [2]** (a) Distinguish between the following

(ii) Kerb trading (4 marks)

**2009 - June [7]** (a) What is a 'non-banking financial company' (NBFC) ? What are its functions ?  
(8 marks)

**Chapter-15 : Raising Capital Abroad**

**2009 - June [4]** (d) State briefly the guidelines for issue of Indian Depository Receipts (IDRs).  
(4 marks)

**2009 - June [5]** (a) What are various approvals required by a company to issue Global Depository Receipts (GDRs) ?  
(4 marks)

**Chapter-16 : Money Market**

**2009 - June [3]** (c) What are the methods for issuance of government securities

**2009 - June [5]** (b) A company issues 90 days commercial papers of the face value of Rs. 1,000 at Rs. 980. The credit rating expenses are 0.6 % of the size of issue, issuing and paying agent charges are 0.25% and stamp duty is to be paid @ 0.20%. You are required to calculate –

(i) Cost of issuing commercial papers.

(ii) Interest yield assuming marginal tax rate @ 35 % (4 marks each)

**Chapter-17 : Investor Protection**

**2009 - June [4]** (c) Discuss the role of recognised stock exchanges in redressing investors' grievances.  
(4 marks)

**Chapter-18 : Corporate Governance in Securities Market**

**2009 - June [8]** (a) "Corporate governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders." Discuss the statement with special reference to main principles and objectives of corporate governance.  
(8 marks)

**Chapter-19 : Objective Question**

**2009 - June [1] {C}** (a) State, with reasons in brief, whether the following statements are correct or incorrect :

(i) Reduction in cash reserve ratio (CRR) may improve market liquidity.

(ii) Preference shares are the same as convertible debentures.

- (iii) Money market and capital market are the same.
- (iv) The Companies Act, 1956 provides recognition to the stock exchanges in India.
- (v) Any investor can trade directly in the recognised stock exchange.

(2 marks each)

**2009 - June [1] {C}** (b) Re-write the following sentences after filling-in the blank spaces with appropriate words(s)/figures(s) :

- (i) Financial system covers both \_\_\_\_\_ and cash transactions.
- (ii) All grants, fees, charges and sums recovered by SEBI are credited to \_\_\_\_\_.
- (iii) In case of public issue through book-building process, the cap on the price band should not be more than \_\_\_\_\_ of the floor of the band.
- (iv) Market borrowings of the Central Government to finance its fiscal deficit are raised by the Reserve Bank of India through issue of \_\_\_\_\_.
- (v) No NBFC shall accept or renew any public deposit for a period exceeding \_\_\_\_\_ months from the date of acceptance or renewal thereof.

(1 mark each)

**2009 - June [1] {C}** (c) Choose the most appropriate answer from the given options in respect of the following :

- (i) A person aggrieved by the decision of the Securities Appellate Tribunal can file appeal before the –
  - (a) Central Government
  - (b) SEBI
  - (c) Supreme Court
  - (d) Reserve Bank of India.
- (ii) Due diligence of an IPO to be issued by an Indian company is done by –
  - (a) Advisor to the issue
  - (b) Merchant bankers
  - (c) Stock exchange
  - (d) Banker to the issue.
- (iii) Reinstatement of delisted securities is permitted by a stock exchange after a cooling period of –
  - (a) Six months
  - (b) One year
  - (c) One and a half year
  - (d) Two years
- (iv) Regulations for carrying out the purpose of the Depositories Act, 1992 are formulated by –
  - (a) Depository
  - (b) SEBI

- (c) Stock exchange
  - (d) Central Government.
  - (v) Hybrid scheme of mutual funds make investment in –
    - (a) Bonds
    - (b) Equity
    - (c) Convertible
    - (d) All the above. (1 mark each)
- 2009 - June [3]** (b) Give full form of the following abbreviations :
- (i) SMILE
  - (ii) QIB
  - (iii) DVP
  - (iv) STP. (1 mark each)

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