

FREE OF COST

I.S.B.N : 81-7666-297-6

SCANNER'S APPENDIX

CS Inter Gr. II

June 2005

Paper - 5 Company Law

Chapter - 1 : Introduction

2005 - June [1] {C} Distinguish between the following :

- (iv) 'Company' and 'partnership'. (4 marks)

Chapter - 2 : Types of Companies

2005 - June [5] (d) A representative of a foreign company in India was only receiving orders from customers. State whether the place where the orders so received be termed as a place of business. (4 marks)

Chapter - 3 : Promoters and Formation of Companies

2005 - June [4] Comment on the following statements :

- (i) Unsecured loans from promoters are always treated as exempt deposits. (4 marks)

Chapter - 4 : Memorandum of Association and Articles of Association

2005 - June [4] Comment on the following statements : (4 marks)

- (v) A company does not have unlimited powers to alter its articles of association. (4 marks)

2005 - June [5] (a) What is 'registered office' of a company? Within what period a company must have a registered office? (4 marks)

Chapter - 6 : Concept of Capital and Financing of Companies

2005 - June [2] (b) Whether consideration for shares can be paid in kind? In a company, shares were allotted in return for sugarcane growing land transferred to the company. In the winding-up proceedings, it was alleged that the value of land was one-tenth of the value of shares allotted. Whether a court can interfere in the matter to remedy the position? Discuss. (4 marks)

2005 - June [4] Comment on the following statements :

- (ii) In a further issue of share capital by a public company, shares must always be issued to its existing shareholders. (4 marks)

Chapter - 7 : Alteration of Share Capital

2005 - June [8] (b) What are the modes of reduction of share capital? Specify the cases of diminution of share capital which are not regarded as reduction of share capital. (5 marks)

Chapter - 8 : Prospectus

2005 - June [4] Comment on the following statements :

- (iii) In certain cases, prospectus need not be issued. (4 marks)

Chapter - 9 : Debt Capital

2005 - June [1] {C} Distinguish between the following :

- (v) 'Debentures' and 'shares'. (4 marks)

2005 - June [4] Comment on the following statements :

- (iv) The debenture trustees protect the interests of the debenture holders. (4 marks)

Chapter - 10 : Creation and Registration of Charges

2005 - June [6] (a) While sanctioning working capital limit, the rate of interest has been fixed at a specified percentage above the bank rate as notified by the RBI. There was a change in the interest rate due to RBI notification issued later. The bank insisted on filing a return of modification of charges. Is the stand of the bank correct? Discuss with reasons. (5 marks)

(c) A company filed Form Nos.17 and 13 in triplicate duly signed by both the bank and company's authorised personnel for the satisfaction of charges based on the bank's letter issued one week after the date of payment of charge (loan) but within 30 days from this payment date. The Registrar of Companies insisted that the letter of the bank for accepting the satisfaction of charge be filed with Form Nos.17 and 13 and also insisted on issue of notice to the holder of the charge, *i.e.*, the bank. He also decided that the date of filing should be computed from the date of bank's letter. Discuss the correctness of his views. (6 marks)

Chapter - 11 : Allotment and Certificates of Securities

2005 - June [2] (c) 'One of the joint-holders applied to a company requesting for the splitting of 300 equity shares equally among the joint-holders by issuing fresh share certificates to each of the three joint-holders separately. Is the company bound to comply with this request? Give reasons. (4 marks)

2005 - June [7] (a) Teji Pvt. Ltd. received a cheque of Rs.10 lakh towards the share application money from Vinod on 31st March, 2005. On the same day, the Board of directors allotted the shares, filed necessary returns and issued the share certificate. The cheque was subsequently deposited with the bank which bounced. Advise the company. (8 marks)

Chapter - 13 : Transfer and Transmission of Securities

2005 - June [5] (c) Ramesh, a shareholder in Mod Ltd., desires to nominate his wife Radha as a nominee in respect of his shareholdings. Can Mod Ltd. accept the nomination so made? Advise the company. (4 marks)

2005 - June [8] (c) Arun buys 300 shares of a company from Barun on the faith of a share certificate issued by the company. Arun submits to the company a transfer deed, duly executed, along with Barun's share certificate for transferring the shares in his name. The company discovers that the certificate

in the name of Barun has been fraudulently obtained and refuses to register the transfer. Is Arun entitled to get the shares transferred in his name? (6 marks)

Chapter - 15 : Powers and Duties of Directors

2005 - June [8] (a) Rana is a director of Urmi Exports Ltd. Urmi Exports Ltd. wishes to enter into a contract with Srilakshmi Creations Pvt. Ltd., a company registered in Mauritius in which Mrs. Rana is a director. What compliances, if any, are required under the Companies Act, 1956? (5 marks)

Chapter - 16 : Managing Director, Whole-Time Director and Manager

2005 - June [1] {C} Distinguish between the following :

(ii) 'Executive director' and 'independent director'. (4 marks)

2005 - June [6] (b) Articles of association of a company has put a cap of Rs.10,000 on sitting fee. There is a proposal to increase the sitting fee from present amount of Rs.8,000 to Rs.20,000. Advise the company. (5 marks)

Chapter - 17 : Company Secretary

2005 - June [1] {C} Distinguish between the following :

(i) 'Whole-time secretary' and 'secretary in whole-time practice'. (4 marks)

Chapter - 18 : Meetings-I

2005 - June [3] (a) Asia Pacific Co. Ltd., called its annual general meeting on 30th September, 2001 and adjourned it to 31st December, 2001 due to delay in completion of audit of accounts for the year ended 31st March, 2001. At the adjourned meeting, the meeting was further -adjourned to 31st March, 2002. Subsequently, the annual general meeting was held on 28th January, 2002. State whether the company has complied with section 166 and, if not, whether the company is liable to default and conviction. (8 marks)

Chapter - 20 : Investments and Loans

2005 - June [5] (b) Hum Tum Ltd., a company having a shareholders fund of Rs.80 crore of which Rs.30 crore is free reserves, desires to make a loan of Rs.20 crore to Young Ltd. The company has already investments in and made loans to various other body corporates to the extent of Rs.35 crore. Can this loan be given by a resolution of the Board of directors? (4 marks)

Chapter - 21 : Deposits

2005 - June [7] (b) As per the audited balance sheet of Dowell Ltd. as at 31st March, 2004, the details of share capital, reserves and surplus are as under :

	<i>Rs. in Lakhs</i>
Equity share capital	300.00
Reserves and surplus :	
Profit and loss account	62.75
General reserves	12.00
Share premium	25.00
Capital subsidy (Central grant)	10.00
Revaluation reserve	<u>30.00</u>
	<u>139.75</u>

Miscellaneous expenditure to the extent not written off as at 31st March, 2004 is Rs.1.25 lakh.

Break-up of unsecured loans as at 31st March, 2004 is given below :

	<i>Rs. in Lakhs</i>
Deposits from public	13.00
Deposits from shareholders	3.62
Inter-corporate deposits	15.00
Deferred sales tax liability	<u>28.63</u>
	<u>60.25</u>

Compute the limits upto which Dowell Ltd. can accept further deposits from the public and shareholders (*Answer to the nearest rupees in thousands*).

(8 marks)

Chapter - 23 : Audit

2005 - June [1] {C} Distinguish between the following :

(iii) 'Statutory audit' and 'special audit'. (4 marks)

2005 - June [2] (d) Amol & Co., a proprietary firm of Amol, a Chartered Accountant in practice, has been appointed as the statutory auditor by a private limited company. Subsequently, it came to light that Mrs. Amol has been holding less than 1% of the shares of that company. Will this vitiate the appointment of the statutory auditor? Answer with reasons. (4 marks)

Chapter - 25 : Sole Selling and Sole Buying Agents

2005 - June [2] (a) The Board of directors of a company having a paid-up capital of Rs.50 lakh by a resolution approved the appointment of a sole-selling agent under section 294AA. The extra-ordinary general meeting of the company disapproved the appointment of the sole-selling agent. Discuss the consequences of such disapproval. (4 marks)

Chapter - 27 : Prevention of Oppression and Mismanagement

2005 - June [3] (b) ABC Pvt. Ltd. was promoted by three groups A, B and C. Each group was holding one-third of the paid-up capital of the company. The Board of directors comprises of three directors Ajay, Bidur and Chanakya representing the group A, B and C respectively. The company was engaged in the business of construction of tenements. It had acquired 60 acres of land in the year 1985 for a sum of Rs.60 lakh. The market value of the land as on 31st March, 2005 is Rs. 6 crore.

Inspite of the best efforts by the company, the projects could not be completed and all the projects are in haphazard condition. The company is facing financial difficulties. Recently, Chanakya has started feeling that he is being neglected and is not taken into confidence in taking business decisions. Chanakya representing group C on the Board of directors has filed a petition under section 397/398 for not calling him for the Board meetings, irresponsible behaviour of Ajay and Bidur leading to financial distress and has claimed a

consideration of Rs.2 crore for transferring his shares to groups A and B. Will he succeed? (8 marks)

Paper - 6

Company Secretarial Practice

Chapter - 1 : Incorporation and Conversion of Companies

2005 - June [4] (a) Elucidate the procedure to be followed for incorporation of a private limited company and outline the distinctive features of such a company under the Companies Act, 1956. (8 marks)

2005 - June [8] (b) Shares of Anand Pvt. Ltd. are held by Ram and Shyam in the proportion of 70:30. Ram transfers his entire shareholding in favour of Rama Investments Ltd. Anand Pvt. Ltd. became a subsidiary of a public company and changed its status as such. State the implications of above and enumerate the procedure, if any, required to be followed in this regard.

(8 marks)

Chapter - 2 : Alteration, changes and Modifications in the Articles and Memorandum

2005 - June [1] {C} Draft the specimen resolutions alongwith necessary explanatory statements wherever required for transacting the following items of business :

- (i) Deleting article 49 of the articles of association relating to managing agents. (5 marks)
- (ii) Sub-division of shares. (5 marks)

Chapter - 3 : Allotment/Transfer and Transmission of shares

2005 - June [2] (b) Asha Ltd. sought to refuse registration of shares in the name of Vibha Ltd. on the ostensible ground that Vibha Ltd. has not complied with the requirements of section 292 of the Companies Act, 1956 in making the investment. Is the action of Asha Ltd. valid? Justify. (8 marks)

Chapter - 4 : Directors and Other Managerial Personnel

2005 - June [1] {C} Draft the specimen resolutions alongwith necessary explanatory statements wherever required for transacting the following items of business :

- (iii) Appointment of a director other than a retiring director. (5 marks)

2005 - June [7] (b) Holder of only one share of a large public company gave notice under section 284 of the Companies Act, 1956 for removal of the whole-time director who is the CEO of the company at the ensuing AGM. The company has been advised not to entertain the notice in view of non-compliance of requirements of section 188 in regard to circulation of members' resolution. The matter has been referred to you for a second opinion. Advise. (8 marks)

2005 - June [8] (a) Advance Solutions Pvt. Ltd. is a company engaged in development of software. Ajit, Baljit and Charanjit are the only shareholders

and directors of the company. Ajit has recently started his own independent software development company. Baljit and Charanjit are of the view that continuation of Ajit as director and shareholder of the company will be against the interests of the company. Therefore, they want to expel Ajit as a member as well as director of the company. Advise Baljit and Charanjit. (8 marks)

Chapter - 7 : Preparation of Annual Reports

2005 - June [3] Sadbhavana Ltd. had a record turnover of Rs.100 crore and earned a net profit of Rs.23 crore for the year ended 31st March, 2004 which was its 10th year of operations. Prepare the Board of directors' report for the year 2003-04. You may make necessary assumptions about the facts and figures as may be necessary. (16 marks)

Chapter - 8 : Registration of Charges

2005 - June [6] (a) Outline the meaning and significance of a 'charge'. What are the charges that need to be registered? What are the consequences of non-filing of a charge? (6 marks)

Chapter - 10 : Inter-Corporate Loans, Investments, Guarantee & Securities

2005 - June [4] (b) Discuss the law and procedure relating to inter-corporate loans and investments. (8 marks)

Chapter - 11 : Declaration and Payment of Dividend

2005 - June [1] {C} Draft the specimen resolutions alongwith necessary explanatory statements wherever required for transacting the following items of business :

(iv) Declaration of interim dividend. (5 marks)

2005 - June [2] (a) A company declared dividend on 31st October, 1996 for the year ended 31st March, 1996. Out of the dividend so declared, a sum of Rs.2,17,290 remains unclaimed as at 31st March, 2004. As the secretary of the company, how will you deal with this amount? (8 marks)

Chapter - 12 : Maintenance of Statutory Books/Register & Filing of Returns.

2005 - June [6] (b) Ajay, a shareholder of Adarsh Ltd., wrote to the company for supply of copies of 100 folios of register of members. The company insisted that before asking copies of the folios, Ajay ought to have taken inspection and specified the particulars of the folios. Without such inspection, copies of folios cannot be made available. Advise Ajay. (5 marks)

(c) Zahir wrote to the company to supply him copies of audited balance sheets since 31st March, 2001. The company refused to supply him all these balance sheets but was willing to supply the last audited balance sheet of the company for the financial year ended 31st March, 2004. Advise Zahir. (5 marks)

2005 - June [7] (a) The Chairman and the Company Secretary are charged with the offence of violation of the mandatory provisions of the Companies

Act, 1956 for having failed to file necessary returns as per the Act. They feel that there could be penal action against them only if there is deliberate violation of law and not when there were inadvertent errors. Hence, in their opinion, there should not be any prosecution. Advise them. (8 marks)

Chapter - 15 : Objective Questions

2005 - June [5] In the light of provisions of the Companies Act, 1956, state with reasons whether the following statements are true or false. *Attempt any four :*

- (i) Deposits received by a public company from another public company are reckoned as deposits under the Companies (Acceptance of Deposits) Rules, 1975.
- (ii) Unless depreciation is provided, there is no way dividends can be paid by a company.
- (iii) All resolutions that are passed at Board meetings need only simple majority, as special resolution has nothing to do with Board meetings.
- (iv) A special resolution requires two-thirds majority of total voting power.
- (v) Minutes of the Board meeting needs to be signed by the chairman within 30 days of the meeting. (4 marks each)

Paper - 7
Economic, Labour and
Industrial Laws

Chapter - 1 : Industries Development and Regulation

2005 - June [2] (a) "The Industries (Development and Regulation) Act, 1951 has lost its sting as the Licence Raj was given a decent burial by the liberalisation policy of the Government." Discuss. (5 marks)

Chapter - 2 : Restrictive & Anti-Competitive Practices

2005 - June [2] (b) Write an exhaustive note on the functions of the Competition Commission of India. (6 marks)

Chapter - 4 : Restrictive Trade Practices

2005 - June [1] {C} With reference to the relevant legal enactments, write short notes on the following:

- (iv) Cartels (3 marks)

2005 - June [2] (d) Sapna bought a computer from the manufacturer. She did not enter into an annual maintenance contract with the manufacturer. The computer developed some fault and she sought assistance of manufacturer for its repair. The manufacturer charged exorbitant fee for repairing, thereby compelling her to enter into an annual maintenance contract. State with reasons whether Sapna can sue the manufacturer for indulging in a monopolistic or restrictive trade practice. (2 marks)

Chapter - 5 : Unfair Trade Practices

2005 - June [2] (c) Dasgupta Publishers Ltd. had entered into a contract with Sun Papers Ltd. for purchase of paper for publication of a journal. The allegation of Dasgupta Publishers Ltd. was that the paper supplied by the company was inferior in quality and different from the sample shown before the contract was entered into. Will Sun Papers Ltd. be liable for indulging in an unfair trade practice? (2 marks)

Chapter - 7 : Regulation and Management of Foreign Exchange

2005 - June [1] {C} With reference to the relevant legal enactments, write short notes on the following:

- (i) Current account transactions (3 marks)

2005 - June [3] (a) With reference to the relevant provisions of the Foreign Exchange Management Act, 1999, advise on the following :

- (i) Rani, an Indian national, failed to realise and repatriate foreign exchange amounting to Rs. 50 lakh. She is interested, in compounding the said offence.
- (ii) Vaibhav, an Indian resident, invites Keshav an NRI in the USA, to stay as his guest while he is in India on a business trip. Does Vaibhav violate the law while incurring expenditure on his friend's hospitality?
- (iii) Rekha, a person resident in India, desires to make a gift of \$200 to her brother, a person resident outside India, on the occasion of his marriage.
- (iv) Vijay, a person resident outside India, wants to repatriate outside India the sale proceeds of the immovable property in India. (2 marks each)

Chapter - 8 : Management & Regulation of Foreign Contributions and Hospitality

2005 - June [1] {C} With reference to the relevant legal enactments, write short notes on the following:

- (vi) Objectives of the Foreign Contribution (Regulation) Act, 1976. (3 marks)

2005 - June [3] (b) Ananda Swar Mondal, a cultural association in Kolkata formed for the sole purpose of promoting Rabindra Sangeet, has been offered gift of \$5,000 by a society in USA. Can the association receive it without violating the provisions of the Foreign Contribution (Regulation) Act, 1976? (3 marks)

Chapter - 10 : Consumer Protection and Corporate Responsibility

2005 - June [4] (c) Rajan had taken an insurance policy on his life. While he was travelling in the car of a friend, the vehicle caught fire and all the occupants including the driver, sustained serious injuries. Later on, Rajan died in the hospital. His wife filed a claim which was refused on the ground that the driver did not have a valid licence. She filed a case with the Consumer Disputes Redressal Forum. Will she succeed? Decide with reasons and relevant case law, if any. (5 marks)

2005 - June [5] (c) In February, 1999, Dhirendra opened an account under the national savings scheme in the General Post Office in Nagpur. In March, 2000, he opened a similar account in another Post Office in Pune. On his retirement from service, he got both the accounts transferred to a branch of the Post Office in Bhopal, When he sought to close the accounts by withdrawing the amount together with interest, the Post Office pointed out that under the National Savings Scheme Rules, he could have opened only one account and thus would not be entitled to receive any interest on the second account opened in Pune. Dhirendra wants to file a complaint with the Consumer Disputes Redressal Forum. Will he succeed? Decide giving reasons and citing case law, if any.

(5 marks)

2005 - June [6] (c) An insurance company did not settle the insurance claim amounting to Rs.2 lakh on the plea that Shambhu, the assured, had not disclosed material facts about his illnesses, i.e., high blood pressure and history of diabetes, at the time of submitting the proposal. Shambhu denies the allegations and pleads that he had not concealed anything. The insurer contended that the onus of proof lies on the assured to prove beyond doubt that he had not misrepresented about the material facts. Will the contention of the insurance company be given credence by the Consumer Disputes Redressal Forum? Give reasons in support of your answer and refer to relevant case law, if any.

(5 marks)

Chapter - 11 : Pollution Control & Environmental Protection

2005 - June [1] {C} With reference to the relevant legal enactments, write short notes on the following:

(ii) Concept of sustainable development (3 marks)

2005 - June [6] (b) Write a note on liability for pollution referring to pronouncements by the Supreme Court of India. (5 marks)

Chapter - 12 : Air (Prevention and Control of Pollution) Act, 1981

2005 - June [5] (b) State the provisions of the Air (Prevention and Control of Pollution) Act, 1981 and the rules made, thereunder relating to control of noise pollution. (5 marks)

Chapter - 14 : The Environment (Protection) Act, 1986

2005 - June [1] {C} With reference to the relevant legal enactments, write short notes on the following:

(v) Hazardous substance (3 marks)

2005 - June [4] (b) Explain the functions of environment laboratories under the Environment (Protection) Act, 1986. (5 marks)

Chapter - 17 : Patent Law and Enforcement

2005 - June [4] (a) State the procedure relating to restoration of a lapsed patent under the Patents Act, 1970. (5 marks)

Chapter - 18 : Trade Mark Law and Enforcement

2005 - June [1] {C} With reference to the relevant legal enactments, write short notes on the following:

(iii) Assignment of a trade mark (3 marks)

2005 - June [3] (c) Two persons applied for registration of the same trade mark at the same time. In such a case, how will the proprietorship of the trade mark be decided? (4 marks)

2005 - June [5] (a) Mention the provisions of the Trade Marks Act, 1999 regarding removal of a trade mark for non-use. (5 marks)

Chapter - 19 : Copyright Law and Enforcement

2005 - June [6] (a) Explain the provisions of the Copyright Act, 1957 regarding administration of rights of an owner by a copyright society. (5 marks)

Chapter - 20 : Industrial Relations & Recruitment Laws

2005 - June [7] {C} (a) Discuss the following:

- (i) Collective bargaining (5 marks)

Chapter - 22 : The Apprentices Act, 1961

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (ii) Raman, an apprentice, discharged his obligations conscientiously as per the terms and conditions of contract of apprenticeship. The employer was also very happy with his performance. He, however, did not offer job to Raman on the successful completion of apprenticeship training. Can the employer be so compelled? (3 marks)

Chapter - 23 : The Industrial Employment (Standing Orders) Act, 1946

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any:

- (i) A workman was suspended for an act of misconduct. The certified standing orders of the establishment provided that the workman has to mark attendance to be eligible for subsistence allowance. The workman argued that he could not be compelled to attend office during the period of suspension. Will he succeed? (3 marks)

Chapter - 24 : Payment of Wages Act, 1936

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (vii) Sham accidentally damaged the testing instrument during the course of his work. The employer deducted the cost of repair of the instrument from his wages. Was the action of the employer justified? (3 marks)

Chapter - 27 : Employees' State Insurance Act, 1948

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (vi) A worker was injured by his negligent act while knocking the belt of a moving pulley. Does it amount to an employment injury under the Employees' State Insurance Act, 1948? (3 marks)

Chapter - 29 : Industrial Disputes Act, 1947

2005 - June [7] {C} (a) Discuss the following:

- (iii) Retrenchment compensation. (5 marks)

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (iv) Adarsh was a primary school teacher in a private school. He was dismissed from service after an inquiry. He wants to institute a suit in the Labour Court challenging the order of dismissal. Will he succeed? (3 marks)

Chapter - 30 : Trade Unions Act, 1926

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (viii) Kabir was a member of a trade union. Subsequently, he resigned from its membership following differences with the leadership. The union officials prevailed upon the management and got his services terminated. Can Kabir bring an action for unlawful intimidation against the union officials concerned? (3 marks)

Chapter - 31 : Contract Labour (Regulation and Abolition) Act, 1970

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (iii) Is the principal employer liable to absorb contract labour where engagement of labour force through the contractor to do work of a perennial nature has been abolished? (3 marks)

Chapter - 32 : Factories Act, 1948

2005 - June [7] {C} (a) Discuss the following:

- (ii) Special provisions of the Factories Act, 1948 relating to hazardous processes (5 marks)

Chapter - 33 : Workmen's Compensation Act, 1923

2005 - June [7] {C} (b) Attempt the following stating the relevant legal provisions and case law, if any :

- (v) Kutumb Ltd. has a factory in a sub-urban place near Chennai. The company nominated the works manager at the factory as its occupier. There was a fire in the factory premises resulting in injuries to workmen. The enquiry revealed that the accident occurred due to the negligence of supervisory personnel. Will the works manager be held liable? (3 marks)

Paper - 8
Securities Laws and
Regulation of Financial Markets

Chapter - 2 : Capital Markets (National & International)

2005 - June [2] (a) Distinguish between the following :

- (ii) Reduction of capital' and 'buy-back of capital'. (2 marks)

2005 - June [3] Give your brief advice / comments on the following :

- (iii) KLM Ltd. wants to buy-back its own shares. (2 marks)

Chapter - 3 : Securities and Exchange Board of India

2005 - June [4] (b) "SEBI expects the investors to make investments with their eyes and ears open." Comment. (4 marks)

2005 - June [7] (a) Grow Wealth Ltd. (GWL) is a registered stockbroker of the Bombay Stock Exchange. SEBI has levied on GWL a penalty of Rs.2 crore for violation of the provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003. GWL is contemplating to challenge the SEBI's order before the Securities Appellate Tribunal in an appeal. Discuss briefly the procedure for appeal before the Securities Appellate Tribunal. (8 marks)

Chapter - 4 : Financial Market Instruments

2005 - June [1] {C} Write notes on the following :

(v) Commodity bonds. (5 marks)

2005 - June [3] Give your brief advice / comments on the following :

(i) ABC Ltd. wishes to issue 'disaster bonds'. (2 marks)

2005 - June [4] (d) List at least six new financial instruments introduced in the Indian capital market in the recent past and explain the essential features of any two of them. (4 marks)

Chapter - 5 : Primary Market

2005 - June [3] Give your brief advice / comments on the following :

(vii) SEBI has cancelled registration of Scrips Ltd., a Registrar and Share Transfer Agent. (2 marks)

2005 - June [7] (b) What is meant by 'due diligence'? How does a merchant banker perform due diligence of a prospective IPO client? (4 marks)

2005 - June [8] (a) Welcome Share Registry Ltd. is appointed as the Registrar for the public issue of your company. You are required to prepare a note detailing the scope of their functions. (6 marks)

Chapter - 6 : Public Issue Management

2005 - June [1] {C} Write notes on the following :

(iii) Qualified institutional buyers (5 marks)

2005 - June [3] Give your brief advice / comments on the following :

(viii) The promoters of CBA Ltd. want to make a preferential issue of shares to themselves. (2 marks)

2005 - June [6] Fine World Ltd., a listed company, with an authorised, issued and subscribed capital of Rs.25 crore comprised of 2.5 crore equity shares of Rs.10 each and a paid-up capital of Rs.24 crore, wants to issue bonus shares in the ratio of 2:5. Discuss the relevant guidelines and explain the procedure involved. (16 marks)

Chapter - 7 : Secondary Market

2005 - June [7] (c) Explain 'insider trading'. Explain the inspection and investigation mechanism for preventing insider trading. (4 marks)

Chapter - 8 : Stock Exchange**2005 - June [1] {C}** Write notes on the following :

- (i) Central listing authority (5 marks)

2005 - June [2] (a) Distinguish between the following :

- (i) 'Bull' and 'bear'. (2 marks)
(iii) 'Put options' and 'call options'. (2 marks)

(b) "Open spot trades can be executed outside the stock exchanges." Comment". (5 marks)**2005 - June [3]** Give your brief advice / comments on the following :

- (ii) NSE has refused listing of shares of PQR Ltd. (2 marks)
(iv) MNG Ltd. wants to appoint a market maker. (2 marks)
(v) XYZ Ltd. wants to takeover ABC Ltd., which is a listed company. (2 marks)

2005 - June [4] (c) What are the prerequisites for option trading? (4 marks)**2005 - June [5]** (a) What are the consequences of non-compliance with the requirements of listing agreements? (8 marks)**(b)** "Clause 49 of the listing agreement has assumed great significance in the corporate governance of listed companies." Discuss. (8 marks)**Chapter - 9 : Credit Rating****2005 - June [4]** (a) Explain the following credit rating symbols and name the agencies concerned :

- (i) PL – 5
(ii) CS – 4
(iii) A – 2
(iv) BBB(Triple B). (4 marks)

Chapter - 10 : Collective Investment Vehicles**2005 - June [8]** (b) What is 'net asset value'(NAV)? How is NAV of a fund calculated? (5 marks)**Chapter - 11 : Non-Banking Financial Companies****2005 - June [3]** Give your brief advice / comments on the following :

- (ix) SQL Ltd. wishes to undertake business as NBFC. (2 marks)

2005 - June [8] (c) What is an 'NBFC'? Discuss briefly the salient features of regulatory framework for NBFCs in India. (5 marks)**Chapter - 12 : Depositories****2005 - June [1] {C}** Write notes on the following :

- (ii) Electronic data information filing and retrieval system (5 marks)

2005 - June [2] (a) Distinguish between the following :

- (iv) 'Dematerialisation' and 'immobilisation'. (2 marks)

Chapter - 13 : Raising Capital Abroad**2005 - June [3]** Give your brief advice / comments on the following :

- (vi) GDR Ltd. wants to appoint market intermediaries for making Euro issue. (2 marks)

Chapter - 14 : Money Market

2005 - June [1] {C} Write notes on the following :

- (iv) Money at call and short notice

(5 marks)

Chapter - 16 : Objective Questions

2005 - June [2] (c) Define *any five* of the following :

- (i) CDSL
(ii) FCCB
(iii) ICRA
(iv) GDR
(v) BOLT
(iv) SPN.

(1 mark each)

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