


| <b>Name:</b><br><b>Enrolment No:</b>  |   |  |     |
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| <b>UPES</b><br><b>End Semester Examination, December 2023</b>   |   |  |     |
| <b>Course: SECURITIES MARKET REGULATIONS</b><br><b>Program: BA/BBA/B.Com. LLB</b><br><b>Course Code: CLCP4007</b> |   | <b>Semester: VII</b><br><b>Time: 03 hrs.</b><br><b>Max. Marks: 100</b> |     |
| <b>Instructions:</b>  |   |  |     |
| <b>SECTION A</b><br><b>(5Qx2M=10Marks)</b>  |   |  |     |
| S. No.  |   | Marks  | CO  |
| Q 1   | <b>Which of the following is a primary market transaction in the Indian securities market?</b><br>a. Buying and selling of existing securities.<br>b. Initial Public Offering (IPO)<br>c. Trading of government bonds on the stock exchange<br>d. Secondary market trading                                    | 2  | CO1 |
| Q 2   | <b>What is the purpose of the National Stock Exchange (NSE) in India?</b><br>a. To regulate stock market transactions<br>b. To facilitate trading of agricultural commodities<br>c. To provide a platform for trading equities, derivatives, and debt instruments<br>d. To manage the foreign exchange market | 2  | CO1 |
| Q 3   | <b>What does the term "Demat Account" refer to in the context of the securities market?</b><br>a. An account for trading in commodities<br>b. An account for trading in foreign exchange<br>c. A bank account for managing personal finances<br>d. An account for holding securities in electronic form       | 2  | CO1 |

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| Q 4   | <p><b>Which regulatory body is responsible for regulating commodity futures trading in India?</b></p> <p>a. Reserve Bank of India (RBI)</p> <p>b. Forward Markets Commission (FMC)</p> <p>c. Securities and Exchange Board of India (SEBI)</p> <p>d. Ministry of Finance</p>   | 2 | CO1 |
| Q 5   | <p><b>What is the role of a depository in the Indian securities market?</b></p> <p>a. Facilitates trading of commodities</p> <p>b. Holds and maintains electronic records of securities</p> <p>c. Manages IPO allocations</p> <p>d. Regulates stock market intermediaries</p>  | 2 | CO1 |
| <p><b>SECTION B</b></p> <p><b>(4Qx5M= 20 Marks)</b></p> |  |   |     |
| Q 6   | <p>What is an open offer? Explain considering relevant statutory provisions and regulations.</p>   | 5 | CO2 |
| Q 7   | <p><i>"Investor protection is the cornerstone of a sound and efficient capital market. It is essential to build investor confidence and encourage participation in the market. SEBI plays a crucial role in protecting the interests of investors by enforcing securities laws and regulations, investigating market irregularities, and acting against errant market participants".</i> Elucidate.</p>  | 5 | CO2 |
| Q 8   | <p>A company is planning to raise capital through an initial public offering (IPO). The company's financial statements show that it has been profitable for the past three years and has a strong track record of growth. However, the company's industry is facing some challenges, and there is concern about the company's ability to maintain its profitability in the future. Discuss the factors that SEBI would consider when evaluating the <b>eligibility</b> of company's IPO application under the SEBI (ICDR) Regulations.</p> | 5 | CO2 |
| Q 9   | <p>Capital markets play a crucial role in resource mobilization, acting as a bridge between those with excess funds and those seeking capital for investment and growth. By providing a platform for companies to raise capital through various instruments, capital markets contribute significantly to economic development. In the light of the aforementioned statement clarify, role and functions of capital market, citing relevant case laws and statutes.</p>   | 5 | CO2 |

| <b>SECTION-C</b><br><b>(2Qx10M=20 Marks)</b> |  |           |            |
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| Q 10   | Short note:<br><br>a. Financial Education<br><br>b. Challenges of investors protection   | <b>10</b> | <b>CO3</b> |
| Q 11   | <p><i>"A robust and effective dispute resolution mechanism is essential for a sound and efficient capital market. It provides investors with confidence that their rights will be protected and that disputes will be resolved fairly and expeditiously. This, in turn, promotes investment and market growth."</i></p> <p>(International Organization of Securities Commissions) What is the role of dispute resolution mechanisms in upholding the principles of fairness, transparency, and investor protection enshrined in the SEBI Act?</p>  | <b>10</b> | <b>CO3</b> |
| <b>SECTION-D</b><br><b>(2Qx25M=50 Marks)</b> |  |           |            |
| Q 12   | Imagining yourself as a legal advisor to a corporate entity that is contemplating acquiring a significant stake in another publicly listed company in India. The potential acquisition could trigger SEBI (SAST) Regulations. Outline the step-by-step process that your client must follow to ensure compliance with SEBI (SAST) Regulations. Discuss the key provisions related to the open offer, including the pricing mechanism, mandatory disclosures, and the obligation to make an open offer to the public shareholders. Illustrate how the regulatory framework aims to maintain fairness, transparency, and protection of minority shareholders' interests in such takeover scenarios. Provide practical insights into the challenges your client might face and the strategies you would recommend to navigate through the SEBI (SAST) Regulations effectively. Emphasize the role of your legal advisory services in ensuring a smooth and legally compliant acquisition process under these regulations. | <b>25</b> | <b>CO4</b> |

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| Q 13 | <p>As a legal consultant representing a financial intermediary that has become embroiled in a dispute with SEBI (Securities and Exchange Board of India) regarding alleged violations of the SEBI Act, 1992. Outline the step-by-step process that your client needs to follow for dispute resolution under the SEBI Act. Discuss the mechanisms available for resolving disputes, including adjudication, consent orders, and settlement procedures. Analyze the factors that your client should consider when choosing a dispute resolution mechanism and the potential implications of each option. Additionally, elaborate on the role and powers of the Securities Appellate Tribunal (SAT) in the resolution of disputes and the circumstances under which an appeal to SAT can be filed. Provide practical insights into how your legal counsel can strategically navigate the dispute resolution process, highlighting key considerations for negotiations and potential settlements. Emphasize the significance of compliance, cooperation, and transparency in the resolution of disputes to maintain a positive relationship with regulatory authorities.</p> | 25 | CO4 |
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