

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
Post-Graduate Department of Commerce (M.Com)  
M.Com Part-I, Semester-I, Semester End Examination, November 2023  
COM-501: Capital Markets and Stock Exchange Operations (OA - 35)

**Duration: 2 Hours**

**Max Marks: 40**

**Instructions:**

1. *This paper consists of Six questions carrying Equal marks.*
2. *Question No.1 consists of 5 Compulsory questions of 2 marks each.*
3. *Answer any Three questions from questions 2,3,4,5 and 6*
4. *Each question carries 10 marks. Figures to the right indicate marks.*

**Q.1. Write short notes on the following: (10)**

- a) SCORES
- b) BOLT System
- c) Last Traded Price and Closing Price
- d) Free-float Market Capitalization
- e) Settlement Guarantee Fund

**Q.2. A. Differentiate between Fixed Pricing and Book-Built Pricing in the context of Public issues in the Primary market. (05)**

**B. Discuss the Importance of Stock Exchanges in the development of an economy. (05)**

**Q.3. A. Sahil is working for a well established Company in his town and has a proportion of savings which he wishes to invest in the stock market. However, Sahil is not familiar about the process of trading. Guide Sahil in this context and Elucidate the Trading, Clearing and Settlement mechanism followed in the Indian Stock Market. (07)**

**B. Bulk and block deals are indicative of interest building in a particular stock. Highlight the major Differences between Block Deals and Bulk Deals. (03)**

Q.4. A. Following table shows the constituents of NIFTY index as on 2005 comprising of Five stocks:

Company	No. of Equity Shares	Market Price (Rs.)
Reliance Industries Ltd.	90,000	53
ITC Ltd.	30,000	27
Infosys Ltd.	50,000	15
HDFC Bank Ltd.	75,000	12
Larsen & Toubro Ltd.	25,000	18

The current market price for the stocks are as follows: Reliance Industries Ltd – Rs. 240, ITC Ltd – Rs. 47, Infosys Ltd- Rs.134, HDFC Bank Ltd- Rs. 135 and Larsen & Toubro Ltd – Rs. 290. Calculate Weights of each stock in the NIFTY Index, the current NIFTY index value and the percentage change in Index Value. (06)

B. An Index provides with information about the entire market behaviour. Explore and discuss the Importance of an Index in the Stock Market. (04)

Q.5. A sound risk management system is an integral part in the efficient clearing and settlement system. Discuss briefly the following Risk management measures adopted in the Indian Stock Market.

a. Circuit Breakers (03)

b. Capital Adequacy Requirements (03)

c. Rumour Verification (02)

d. Trading and Exposure limits (02)

Q.6. A. Risk in the Clearing and Settlement arise on account of various reasons, one such measure to control risk is Collection of Margins. Explain briefly the different types of margins. (05)

B. NIFTY 50 is one among the two main broad-market Indices in India which serves as a benchmark for various portfolios and index funds. Highlight the important characteristics of NIFTY 50 and elaborate the methodology followed for selection and revision of constituent stocks in NIFTY 50. (05)

\*\*\*\*\*Best Wishes\*\*\*\*\*