

It was a good attempt from your side. Mention the year of every Act or Regulation. Avoid silly mistakes. Read the question twice so you do not miss anything. You can improve. Also avoid cancellation and present your answer in a better format. All the best.

BULK DEAL

→ Bulk deal is a trade where total quantity bought or sold is more than 0.5% of number of equity shares of a listed company.

→ Unlike block deal, it has not been given any specific timings to transact. It can be done during the normal trading hours of the Stock Exchange.

→ It can be done through various transactions or through a single transaction.

→ When done in various transactions, it has to be intimated to the stock exchange within one hour of the closing trade.

→ When done through a single transaction it has to immediately be intimated to the stock exchange.

→ Therefore a bulk deal is much more vigilant than a block deal though it has been given some regulations.

UNIT 2: JURISPRUDENCENAME: RISHIKA KEDIA
ORIG: 1512Ans. 1.b.

A capital market intermediary acts as a vital link between investor, issuer and regulator. They help the investor to invest wisely, the issuer to issue securities in compliance with the law and regulator to have a check on the market.

Year when regulation comes into force? You need to mention the same

An intermediary has been defined under section 11(b) and 11(ba) and 12(1)(a) of SEBI (Intermediaries) Regulations.

Intermediaries like merchant bankers, bankers to an issue, portfolio managers, etc play a very important role in advising, regulating, declarations, issuing, etc various matters in the capital market.

However, certain funds/bodies are not intermediaries. These include:

- (i) Collective Investment Scheme
- (ii) Mutual funds
- (iii) Foreign Institutional Investor
- (iv) Foreign Venture Capital Investor
- (v) Venture Capital.

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Intermediaries, however, are a great source of support to the economy as a whole and facilitate activities thereunder.

Ans. 1.c

You have written Question number 1 nicely. Keep it up.

There are various rates at which the Central Bank of India (RBI) facilitates and manages the Indian economy through monetary policies.

One such rate includes the 'Reverse Repo Rate'.

- It is the rate at which the RBI borrows money from the commercial banks in the economy.

- It (RBI) increases the reverse repo rate when RBI wants to borrow more and reduce the cash in the economy.

- The banks start willing to lend more to the RBI due to attractive interest rate and hence reduce the total cash they possess through lending.

→ These policies are an important tool for the RBI to stabilise the economy during uncertain and unfavourable situations.

Ans. 2.a.

There are 2 inflation indexes followed by the Indian regulatory authorities

- (i) Wholesale Price Index
- (ii) Consumer Price Index.

WHOLESALE PRICE INDEX (WPI)

It is computed by the Economic Advisor of Ministry of Commerce and Industry.

It is basically divided into three groups

- (i) Primary Articles
- (ii) Fuel and power
- (iii) Manufactured Articles.

The base year is considered to be 2003-4. The base year for CPI is 2012 which is the main reason for difference between the two.

It considers only the prices other than the retail price as considered under CPI with accordance with the group.

All the WPI calculations are based on national surveys and researches done by various agencies.

This inflation index is not followed in

Elaborate in relation to how a PCS is important in relation to Internal audit system.

the status of America, USA follows CPI and PPI (Producer Price Index)

Therefore, WPI is an important tool to compare the current year position with the objective of future.

Ans. 2-b-1

Company Secretaries play an important role in the capital market.

Intermediaries of the capital market require to get internal audit done through a Company Secretary as in compliance with the respective regulations.

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Internal audit by portfolio managers,
Annual audit by depository participants,
Internal audit by merchant bankers
Internal audit by registrar to an
issue and share transfer agents, etc
are some of the examples
of conducting an internal audit
by intermediaries through a Company
Secretary.

A compliance officer, usually a Company Secretary also needs check regularly

You need to write the efficiency that a PCS brings in regulatory system in terms of Internal Audit.

if all the regulations have been complied with.

As soon as the CS during audit becomes aware of any such non compliance, he/she immediately intimate the SEBI with the same.

[Ans. 3.]

STOCK BROKER	PORTFOLIO MANAGER
- A person who facilitates a trade between the seller and the buyer.	- A person who manages the portfolio of securities of the client.
- It is related to transacting and trading between a buyer and seller.	- It is related to only looking after the securities of the client.
- It involves 3-4 parties (if sub-broker is involved then 4)	- It involves only 2 parties for safe-keeping of securities.
- The stock broker can either act as a principal or an agent with prior consent of the client.	- Portfolio manager is always an agent though he can be given discretionary powers.

A minimum net worth requirement has not been specified unlike other intermediaries.

A minimum net worth of Rs 5 crores is required.

- A stock broker can on consent act as a principal and take all the necessary decisions required to be taken however in good faith.

- A portfolio manager has all the powers required to manage the portfolio of the client. However, prior consent of client is required.

You have not provided proper definition in relation to research Analyst.

Ans. 4-a)

A research analyst has been defined under the SEBI (Research Analyst) Regulations, 2014.

Rs. 25 Lakh. Avoid silly mistakes.

A research analyst as per the above specified regulations requires a

- minimum net worth of 25 lakhs (and)
- a minimum of 1 lakh intangible assets in the form of partnership firms and individuals.

In which case? You need to specify.

It's Net Tangible asset.

Pro.

Writing this is not necessary as the question does not ask for it. Avoid over writing as it might only call for waste of time. Also the paper is lengthy so you cannot afford to lose any time.

A research analyst, whether a research analyst by job title or not, is a person who makes buy or sell recommendations based on its research.

They are also responsible to publish, prepare and provide their research reports to the public.

They play a very important role in the capital market as an intermediary as their reports are always trustworthy and many investors rely on such reports.

Therefore it is important for a research analyst to base their reports on factual and reliable information.

This is not a proper meaning. You need to write a proper and complete meaning. You might lose marks if you omit anything specified.

A merchant banker is a person who manages the buying, selling or dealing in securities or acts as an adviser/manager.

The minimum net worth requirement of a merchant banker is 5 crores.

You need to elaborate your answer. Writing 5 points of roles and responsibilities is not enough. Provide Minimum 8 of it.

It's financial Advisory services.

ROLES AND RESPONSIBILITIES OF A MERCHANT

- International advisory services
- Managing an issue of a company
- Advisory services for projects
- Stock broking
- Facilitating Managing MNCs/Govts of the company.

A merchant banker has more roles and responsibilities in addition to the above to perform as an intermediary.

Therefore Abnics Pvt Ltd has to be taken as a legal advisor.

[Ans. S.a.]

CUSTODIANS OF SECURITIES:

A custodian of securities in the capital market play an ~~too~~ important and leading role.

A custodian is a person who keeps the safe custody of securities of the client.

A custodian is responsible to me

Elaborate your answers. Write answers according to the marks asked in the question.

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look after the securities of the client.

A custodian has also been defined under various regulations like the SEBI (CIS) Regulations, etc.

A custodian is also given some incidental powers to perform his function of safe custody properly. Incidental powers include any bonus issue, rights issue, etc; on securities of the client or dividend or interest received on such securities, etc.

As per the relevant regulations a custodian needs to have a minimum net worth of Rs. 50 Crores.

A custodian therefore is appointed by large companies for their custody of securities.

Rs. 50 Crores. The currency symbol is important.

PTO.

[Ans. 5.6].

The Central Bank of India plays an important role in facilitating and stabilising the Indian economy at times of inflation, depression, etc.

Banks are considered the backbone of the country and hence it is through them that such objectives are achieved.

Objectives for mon.

Using monetary policies as a major tool to attain the above broad objectives by the RBI has always been its goal. Some of the objectives include:

- (i) Exchange Rate: Exchange Rate refers to the value of Indian rupee to one foreign currency or vice versa. Usually, on a worldwide basis, US dollars are used to compare the value of domestic currency by various countries. If the rupee value falls, Indian goods become cheaper and exports rise. However, the Indian producers do can't capitalise the situation due to stiff competition.

If rupee value increases, the imports

from foreign countries become cheaper. However the exports become expensive. On the above based analysis, the RBI needs to either increase or decrease the various rates of the monetary policy.

(ii) PRICE STABILITY: Monetary Policy tools play an important role when it comes to price stability. In cases of inflation, the RBI withdraws money from the economy therefore increasing the CRR, SLR or the repo rate. Hence, this would lead to bring down the prices in the market.

However, in case of deflation, more cash is pushed into the market. Therefore increasing the reverse repo rate or decreasing the CRR, SLR or repo rate.

Therefore, monetary policy tools play an important role for the above 2 main objectives.