

School of Finance and Commerce

Commerce -

Summer Term - September 2023

Time : 3 Hours

Marks : 50

Sem II - MBAF5014 - Security Analysis and Trading Operations

Your answer should be specific to the question asked

Draw neat labeled diagrams wherever necessary

1. Define LIBOR. how does it determined? CO1 (2)
2. What do you understand by efficient market hypothesis? CO2 (2)
3. What do you understand by depositories. CO3 (2)
4. Define the following: CO4 (2)
 - a. Underlying assets
 - b. Option Holder
5. Discuss the tools and techniques of Company Analysis under the Top Bottom approach of Fundamental Analysis. CO5 (2)
6. Explain future in detail. What do you understand by near month, next month, and far month futures? CO3 (5)
7. With the help of given information calculate average return and geometric return CO4 (5)

Year	Return (%)
1	10
2	12
3	3
4	9
8. Explain the clearing and settlement procedure in the Indian stock market step by step. CO5 (6)
9. (a) Write short note on Line Chart and Bar Chart. CO3 (8)
(b) What do you understand by "Technical Analysis"? Explain any two stock market indicators in brief.
10. Harsh works as a manager in a software company. He opened a demat account with a broking house in order to trade in the securities with the money he received as his first performance bonus. Since then he has been very active in stock trading under the guidance of a stock broker. However, when he was hospitalized for few days this year, his wife received several calls from the broker for permission to transact on Harsh's behalf. Though she told him to wait till his husband recovers, the stock broker went ahead and executed the transactions. When Harsh got home from hospital, he discovered that the unauthorized transaction has caused loss to him. Harsh complained to the broking house, but they claimed that he had authorized the transactions. Keeping in the new guidelines, issued by NSE that he had read in the National Newspaper Harsh demanded a proof and threatened to file a complaint. Since the broking house had no evidence that the deals has been authorized they made good the loss that Harsh has incurred due to the transaction. In context of the above case answer the following questions briefly:
 - a) What is a Demat account?
 - b) Who is acting as Depository Participant for Harsh?
 - c) Name the document that is illegally enforceable and helps to settle the claims between the investor and the broker.
 - d) Discuss the Guidelines issued by SEBI to curb the fraudulent and unfair trading practices in the stock market.
11. What do you understand by custodial services? What are the risks pertaining to custodial services? CO5 (8)