

The Assam Royal Global University, Guwahati

Royal School of Commerce

Ability Enhancement Elective Course

Semester End Examination, December 2018

Course Title: INVESTMENTS IN STOCK MARKET

Course Code: COM042S304

Time: 3 Hours

Maximum Marks: 70

Attempt all questions as per instructions given.

The figures in the right-hand margin indicate marks.

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Section – A

- Q.1. Attempt *all* questions: 2 x 8
- a. What is red-herring prospectus? 2
  - b. What is book building mechanism? 2
  - c. 'Stock market serves as the economic barometer'. Explain. 2
  - d. What is speculative transaction? 2
  - e. What is meant by market capitalisation? 2
  - f. What is short selling? 2
  - g. What is a bearish trend? 2
  - h. Give the concept of MCX. 2

Section – B

- Q.2. Answer *any two* of the following questions: 6x2= 12
- a. Write a note on BSE.
  - b. Discuss the functions of a stock broker.
  - c. Discuss the different types of speculators.
- Q.3. Answer *any two* of the following questions: 6x2=12
- a. Throw light on the financial instruments traded in stock markets.
  - b. Distinguish between Trading and speculation.
  - c. Discuss in brief the participants of stock market.
- Q.4. Answer *any two* of the following questions in about 300 words each. 6x2= 12
- a. Explain top-down and bottom-up approaches of selecting stocks.
  - b. Explain the significance of speculators in stock market.

c. Describe the term margin trading.

Q.5. Answer **any one** of the following questions: 10x1=10

a. Specify the factors influencing the selection of large cap, midcap and small cap stocks.

b. What is insider trading? Explain with suitable examples.

Q.6. Answer **any one** of the following questions: 8x1=8

a. Describe the mechanism of investing in an IPO.

b. Discuss the pre-requisites of a company for an IPO.

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