

**MASTER OF BUSINESS ADMINISTRATION  
(FINANCIAL MARKETS)  
(MBAFM)**

**Term-End Examination**

**June, 2013**

**MCT-083 : SECURITIES AND BUSINESS LAW**

*Time : 3 hours*

*Maximum Marks : 100*

**Note :** (i) *All questions are compulsory with internal choice.*  
(ii) *Attempt section I and II in the same answer sheet.*

**SECTION-I**

1. State whether the following statements are **True or False.** **10x1=10**
- (a) Registrar to the issue prepares the Offer Documents for IPO.
  - (b) Prospectus is required to be filed with the Registrar of Companies.
  - (c) Book building is mandatory in an IPO.
  - (d) The shares allotted to QIBs in an IPO is locked in for a year.
  - (e) The first trigger limit for an Open Offer is 30%.
  - (f) Delisting of equity shares from the Stock Exchanges is mandatory after 15 years of listing.

- (g) Warrant is a debt instrument.
- (h) Non Institutional investors can only be individuals.
- (i) ARCs are required to be registered with SEBI.
- (j) Buyback of equity shares and delisting are the same.

2. Write short notes on *any four* : 4x5=20

- (a) Dutch Auction and French Auction
- (b) Safety Net mechanism in an IPO
- (c) Green Shoe Option
- (d) Anchor Investor
- (e) QIBs
- (f) Delisting

3. Answer *any two* : 2x10=20

- (a) You are an Investment Advisor with a QIB. What are the parameters you will consider for an investment in an IPO of a telecom company ?
- (b) As a part of the financial diligence Teana, what are the main areas that are required to be examined and how do you incorporate risks arising from such due diligence ?
- (c) What are the pricing formula for issue of shares in a QIP and under the Indian Takeover Code ?

## SECTION - II

4. Answer *any two* of the following :  $2 \times 10 = 20$
- (a) Explain the Agency and Stewardship theory in Corporate Governance.
  - (b) Write a short note on Whistleblowing policy.
  - (c) Explain the importance of prospectus to investors.
5. Answer *any two* of the following :  $2 \times 15 = 30$
- (a) Explain Corporate Governance practices in Mutual Fund and Insurance Sectors.
  - (b) Write a short note on shareholder and Nomination Committee.
  - (c) Write short note on Memorandum and Articles of Association.