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

Term-End Examination

December, 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) Securities Premium can be used for Buyback of equity shares.
 - (b) Safety-net mechanism in an IPO is available for all kinds of investors.
 - (c) Bankers to an IPO/issue are the Bankers to the company.
 - (d) The minimum application value in an IPO is in the range of Rs. 10000-15000.
 - (e) Bonus shares are issued by splitting the existing shares.
 - (f) Shares of public limited companies have to be compulsorily listed.
 - (g) Promoters should be corporate entities.
 - (h) Minimum subscription is mandatory in a QIP.
 - (i) Promoters cannot participate in buyback of shares.
 - (j) Buyback of shares increases the Network of the company.

2. Answer **any four** briefly : **4x5=20**
- (a) Securities under the Securities Contracts Regulation Act.
 - (b) What kind of acquisitions are exempt from takeover code.
 - (c) What are the reasons for buyback of shares.
 - (d) Delisting is a mechanism to gain control over a company. Explain.
 - (e) Bulk deals and Block deals.
 - (f) Difference between Preferential Issue and Preference Shares.
 - (g) Difference between Bonus Issue and an Offer for Sale.

3. Answer **any two** : **2x10=20**
- (a) Trigger limits for open offer under Takeover Code
 - (b) Process involved in an IPO
 - (c) Further Issue of shares - Rights, Issue, QIPs, Preferential Issue

SECTION-II

4. Answer **any two** from the following : **2x10=20**
- (a) Discuss the importance of Audit Committee in Corporate Governance.
 - (b) Explain the role of Independent Directors
 - (c) Explain the provisions of Section 138 C of the Negotiable Instrument Act relating to dishonour of cheques.

5. Answer **any two** of the following : **2x15=30**
- (a) Explain recommendation of Kumar Mangalam Committee on Corporate Governance.
 - (b) Define Contract under the Indian Contract Act. Explain the essentials of a valid contract.
 - (c) Explain the Disclosures required to be made to the Audit Committee under Clause 49 of the listing Agreement.
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