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MFP-1

**MANAGEMENT PROGRAMME/POST
GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE (MP/PGDFMP)**

Term-End Examination

December, 2022

MFP-1 : EQUITY MARKETS

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : (i) *Attempt any five questions.*

(ii) *All questions carry equal marks.*

1. Discuss Risk and Return. Explain the various types of risk present in the financial system and describe the basic quantitative techniques of risk measurement.
2. Explain the role of various intermediaries that are involved in the process of settlement of securities transactions.

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3. Explain the meaning of 'Primary Markets' and discuss its functions and characteristics. Describe the eligibility criteria for an issuer which wishes to raise capital through Initial Public Offering (IPO).
4. Explain in detail the mechanism of the book building process and discuss the advantage of the book building process.
5. Why are margins levied by the stock exchanges ? List the various types of margins levied in the cash market segment.
6. What do you understand by Valuation ? Explain the process for estimating the expected rate of return and describe the relative valuation techniques.
7. What is 'Technical Analysis' ? Explain the basic tenets of the 'Dow Theory' and describe some of the popular patterns used for technical analysis.
8. How is the return and risk of a portfolio calculated ? Explain the impact of diversification on portfolio risk. Describe the different diversification strategies.