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MFP-1

**MANAGEMENT PROGRAMME/PG
DIPLOMA IN FINANCIAL MARKET
PRACTICE (MP/PGDFMP)**

Term-End Examination

June, 2023

MFP-1 : EQUITY MARKETS

Time : 3 Hours

Maximum Marks : 100

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

(ii) *All questions carry equal marks.*

1. What do you understand by the term 'Financial Markets' ? Discuss the important features of a well developed financial market. Explain the factors affecting global financial markets.
2. Distinguish between systematic risk and unsystematic risk. Describe the major sources of risks which are of concern for equity markets.
3. Explain the concept of 'Book Building' and discuss the steps involved in issue of equity shares using the book building process.

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4. Discuss the meaning and significance of Green Shoe Option. What is the role of a market maker in the working of a green shoe option ? Explain the procedure followed for allotment and stabilization as adopted by the market maker.
5. Differentiate between demat share and physical share certificate. Describe the role of each of the entities involved in the depository process.
6. With the help of a suitable example, explain the different benchmark ratios that are used for relative comparison and analysis of share prices of different companies.
7. Explain the term 'Portfolio diversification'. Why is it necessary ? Discuss the different strategies adopted for this purpose.
8. Write short notes on any *four* of the following :
 - (a) Top-down investing
 - (b) Generally Accepted Accounting Principles (GAAP)
 - (c) Dabba Trading
 - (d) Line charts
 - (e) Annuities