

## SST COLLEGE OF ARTS & COMMERCE

**Duration: 2 & ½ Hrs**

**Class: SYBMS**

**SUB: EQUITY & DEBT MARKETS I Marks: 75**

1. Write Short Note on: (any 3) (15)
- ESOP.
  - Right equity Shares.
  - Commercial papers
  - Certificate of Deposit
2. a. ABC International currently pays a dividend of Rs. 4.00 per share and this dividend is expected to grow at 25% annual rate for 3 years, then at a 15% rate for the next three years, after it is expected to grow at a 5% for ever. (8)
- b. The dividends of Maha International are projected to be as follows for the next three years. In the year 2014 - Rs. 4, 2015 - Rs. 5, 2016 - Rs. 6 after which Maha International will be expecting a growth of 8% in the dividends which would be stable for a considerable period of time. What value would you place on the equity if 12% rate of return were required? (7)
3. a. Write a short note of Book Building Process. (8)
- b. What is Red Hearing Process? (7)
- OR**
- a. What is the selection criteria for important stock indices in India. (8)
- b. Distinguish between Sweat Equity Shares & Stock Options. (7)
4. a. Discuss the procedure for allotment of right issue of shares. (8)
- b. Explain the trading & settlement process of Stock Exchanges. (7)
- OR**
- a. Write a short note of Over the Counter Exchange of India (8)
- b. Describe in detail Open Market Operations? (7)
5. a. Suresh is considering investment in one of the following Bonds: (8)

Bond	Coupon Rate	Maturity	Price/ Rs. 100 par value
A	10%	10 years	Rs. 75
B	9%	7 years	Rs. 60

Recommend which bond should be purchased. Will your answer change if the required rate of return is 15%.

- b. A debenture of Rs. 1000 face value carries an interest of 14% annually redeemable after 6 years at a premium of 5%. If the required rate of return is 16%, what is the present value of debentures? (7)
- OR**
- a. Discuss in detail different types of Bonds? (8)
- b. What is Securities Trading Corporation of India. (7)