

# **KAMARAJ COLLEGE (Autonomous)**

Accredited with A+ Grade by NAAC

(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

THOOTHUKUDI – 628 003

**(5 Pages)**

**Reg. No: .....**

**Question Code No :25000418**

**Course Code : 24USCO22/**

**24USBE22/**

**24USBF22/**

**24USCR22**

**UG Degree - End Semester Examinations, November 2025**

**Second Semester**

**B. COM**

**Stock Market Operations**

**(For those who joined in July 2024 onwards)**

**Time : 3Hours**

**Maximum : 75 Marks**

**PART - A (10 × 1 = 10 Marks)**

**Answer ALL Questions**

**Choose the correct answer:**

1. Which of the following is the primary purpose of securities in the financial market?  
(a) To reduce inflation

- (b) To manage monetary policy
- (c) To raise capital for corporations
- (d) To provide liquidity for government bonds

2. Which of the following is not a type of security?

- (a) Bonds
- (b) Derivatives
- (c) Mutual funds
- (d) Stocks

3. Which of the following is a primary function of the New Issue Market?

- (a) Trading of existing securities
- (b) Providing liquidity to investors
- (c) Issuing fresh securities to the public for capital raising
- (d) Regulating stock market prices

4. IPO (Initial Public Offering) refers to:

- (a) Sale of new shares by an existing public company
- (b) Sale of shares to the public for the first time
- (c) Sale of shares to institutional investors only
- (d) Sale of shares by the government

5. Which of the following is not a function of the stock market?

- (a) Providing liquidity
- (b) Price discovery
- (c) Determining interest rates
- (d) Facilitating capital formation

6. What is Internet-Based Trading?
  - (a) Trading done through telephone calls with brokers
  - (b) Trading conducted on physical trading floors
  - (c) Trading done online through broker platforms using the internet
  - (d) Trading restricted to government bonds only
7. Which of the following intermediaries facilitates the trading of securities on behalf of clients?
  - (a) Stock exchange
  - (b) Depository participant
  - (c) Broker
  - (d) Mutual fund
8. Under which the following Securities Contracts Regulation Act (SCRA), a stock exchange can be recognized?
  - (a) The Reserve Bank of India
  - (b) SEBI
  - (c) The Central Government
  - (d) The Ministry of Corporate Affairs
9. What Demat accounts allow investors to:
  - (a) Hold shares in paper format
  - (b) Trade derivatives
  - (c) Hold shares and other securities electronically
  - (d) Only invest in government securities
10. What an investor can do, when an investor opens a demat

account?

- (a) Hold securities only in physical format
- (b) Trade securities only in the over-the-counter market
- (c) Hold and transfer securities electronically through their depository participant (DP)
- (d) Hold securities but not transfer them

### **PART - B (5X5=25 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 250 words.**

11. (a) Explain the features of equity shares.

**(OR)**

(b) Describe the concept of risk.

12. (a) List out the features of primary market.

**(OR)**

(b) Demonstrate the advantages of underwriting.

13. (a) Analyse the role of commission brokers.

**(OR)**

(b) Explain the functions of stock exchange.

14. (a) Demonstrate the reasons for establishment of SEBI.

**(OR)**

(b) Outline the objectives of SEBI.

15. (a) Illustrate the concept of dematerialization of securities.

**(OR)**

(b) Demonstrate the trading procedure on stock exchange.

**PART - C (5 X 8 = 40 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 500 words.**

16. (a) Mention the types of risks.

**(OR)**

(b) List out the kinds of equity shares.

17. (a) Illustrate the concept of right issue.

**(OR)**

(b) Interpret the meaning of initial public offering.

18. (a) Explain the different types of orders.

**(OR)**

(b) Explain are types of brokers.

19. (a) Explain the Securities Contract Regulation Act 1956.

**(OR)**

(b) Explain the investor protection measures by SEBI.

20. (a) Explain the importance of a demat account.

**(OR)**

(b) Outline the SEBI guidelines for demat account opening.

