

KAMARAJ COLLEGE (Autonomous)

Accredited with A+ Grade by NAAC

(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

THOOTHUKUDI – 628 003

(5 Pages)

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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 ($10 \times 1 = 10$ 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.

