

STOCK EXCHANGE AND SEBI

A. One Word or One Line Questions

Q. 1. What is stock exchange ?

Ans. Stock exchange refers to such an institution which provides a common platform for sale and purchase of existing securities.

Q. 2. Name the most important stock exchange in India.

Ans. Bombay Stock Exchange.

Q. 3. Give the full form of SEBI.

Ans. Securities and Exchange Board of India.

Q. 4. Name various speculators at a stock exchange.

Ans. Bull, bear, stag, lame duck.

Q. 5. Who is a bear speculator ?

Ans. Bear is that speculator who is a pessimist and who expects that price of the securities will fall in the future.

Q. 6. Who is a stag speculator ?

Ans. Stag is a cautious speculator. He expects that he can earn profit by selling securities at a higher price.

Q. 7. Who are jobbers ?

Ans. Those traders of securities who purchase and sell securities for themselves only, are known as jobbers.

Q. 8. Who are brokers ?

Ans. Those traders of securities who purchase and sell securities for those persons who are not the members of stock exchange, are known as brokers.

Q. 9. Who are tarawaniwalas ?

Ans. Tarawaniwala is that operator at the stock exchange who can work both, as a jobber and a broker.

Q. 10. What are main objectives of SEBI according to the SEBI Act ?

Ans. (a) To protect the interest of the investors (b) To promote the development of, and to regulate the working of securities market.

B. Fill in the Blanks

1. SEBI was established to protect the interests of
2. provides facilities for trading in debt, capital and futures & options.
3. is empowered to regulate the working of financial intermediaries.
4. A stock exchange is a part of
5. Head office of SEBI is at

Ans. 1. investors, 2. NSEI, 3. SEBI, 4. secondary market, 5. Mumbai

C. True or False Statements

1. SEBI regulates stock exchange transactions in India.
2. A bear is a cautious speculator.
3. Tarawaniwala is a broker.
4. Brokers purchase and sell securities for themselves.

Ans. 1. True, 2. False, 3. False, 4. False.

D. MCQ

1. SEBI has made it compulsory that trading of shares of all the companies listed in the stock exchanges will take place in demat form with effect from :
(a) 2nd January 2001 (b) 2nd January 2002
(c) 2nd February 2001 (d) 2nd February 2002.
2. A bear is also called :
(a) Mandiwala (b) Speculator
(c) Tejiwala (d) All the above.
3. A struggling bear is also called :
(a) Jobber (b) Tarawaniwala
(c) Lame duck (d) Owner.
4. Who applies for shares in new companies and expects to sell them at a premium if he gets the allotment :
(a) Lame duck (b) Stag
(c) Bear (d) Bull.
5. Securities Contracts [Regulation] Act, 1956 ; was passed in :
(a) 1956 (b) 1958
(c) 1960 (d) 1978.

Ans. 1. (b), 2. (a), 3 (c), 4. (b), 5. (a)