

MODEL TEST PAPER

- Q.1 Appeal against the orders Securities and Exchange Board of India can be made to _____.
a) Central Government b) Securities Appellate Tribunal [2 Marks]
c) Registrar of Companies d) High Court
- Q.2 In case, a body corporate is applying for trading membership in the capital market segment of NSEIL, [3 Marks]
a) At least 5 directors should be graduates of whom one should be a professional.
b) Atleast two directors should be graduates and have minimum of 2 years experience of securities market.
c) No prior experience is required.
d) All the directors should be graduates.
- Q.3 What is the purpose of 'Trade Log' report on the NEAT system? [2 Marks]
a) There is no report as 'Trades Log' report.
b) To show the trades that have only been cancelled or modified orders for the dealers belonging to a trading member for the current trading day.
c) To show the details of the trade related activity by the trading member for a specific day.
d) To show the trades that was done by the trading member for the last seven days.
- Q.4 In ASBA, the amount is blocked in [2 Marks]
a) Trading members account b) Investors own account
c) Both A and B d) None of the above
- Q.5 The Capital Market Segment of NSE commenced operations in [1 Marks]
a) Sep-96 b) Nov-94
c) Aug-96 d) Nov-96
- Q.6 _____ obligates the depositories to maintain ownership records of securities and effect changes in such records electronically at the behest of the owner of the securities. [2 Marks]
a) The Depositories Act, 1996
b) The SEBI Act, 1992
c) The Securities Contract (Regulation) Act, 1956
d) The Companies Act, 1956



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- b) True
- c) Not Attempted

Q.13 Who provides counter party guarantee for all trades executed on NSEIL? [1 Marks]

- a) NSE Clearing House
- b) NSEIL
- c) NSDL
- d) NSCCL

Q.14 Which of the following is FALSE about auctions in the NEAT system? [2 Marks]

- a) All auction orders are entered into the auction order book.
- b) Auction matching takes place only across orders belonging to the same auction.
- c) All auction trades take place at the last traded price for that day in the regular lot book in the normal market.
- d) Auction order matching takes place at the end of the solicitor period for the auction.

Q.15 Is order cancellation and order modification allowed for orders entered in the retail debt market segment. [2 Marks]

- a) False
- b) True

Q.16 The FIIs can invest in a company upto _____ % of the paid up capital of the company. This percentage can be increased upto the sectoral cap as applicable to the Indian Companies by passing a resolution of its board of directors. [2 Marks]

- a) 32
- b) 26
- c) 28
- d) 24

Q.17 Are secured loans a part of Liability or Asset in balance sheet ? [1 Marks]

- a) Liability
- b) Asset
- c) Not Attempted

Q.18 Member can procure the CTCL Software from - a) Vendors empanelled with NSE
b) Non-empanelled Vendors c) Develop in-house d) All of the above [1 Marks]

- a) b
- b) a
- c) c
- d) d

Q.19 The Client registration form is filled by the client when _____. [2 Marks]

- a) Client delivers spurious shares
- b) Broker has to file FIR against client
- c) Client enrolls himself with the broker
- d) Client defaults in making payments

[2 Marks]

- [1 Marks]

[1 Marks]

- [1 Marks]

[1 Marks]

- [1 Marks]

[1 Marks]

- [1 Marks]


[1 Marks]

- in the NEAT
[2 Marks]

in the NEAT
[2 Marks]

- [1 Marks]

[1 Marks]

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- a) 1000 shares get traded at ₹ 150 per share.
 - b) 1000 shares get traded at ₹ 150.50 per share.
 - c) 1000 shares get traded at ₹ 152.50 per share.
 - d) 1000 shares will get traded at ₹ 155 per share.

Q.27 VaR margin is charged at differential rate on the _____ position of the client in each security. [2 Marks]

- a) Only sale
- b) Only buy
- c) Gross outstanding
- d) Net outstanding

Q.28 Nifty index drops by 15% at 3:00 pm. Market will be halted _____. [2 Marks]

- a) By half an hour
- b) For remainder of the day
- c) For ten minutes
- d) For fifteen minutes

Q.29 What is FALSE about an outstanding order on the NEAT system? [2 Marks]

- a) It is an order that has been entered by the user and is partially matched.
- b) It is a stop loss order that has not yet been triggered in the market.
- c) It is an order that has been entered by the user and not yet been traded.
- d) It is an order that has been entered by the user, but which has not yet been completely traded or cancelled.

Q.30 Which of the following is NOT true about SEBI? [2 Marks]

- a) It determines the premium/discounts at which securities are to be issued.
- b) It can specify the matters to be disclosed and the standards of disclosure required for the protection of investors in respect of issues.
- c) Its regulatory jurisdiction extends over all intermediaries and persons associated with the securities market.
- d) Its regulatory jurisdiction extends over corporates in the issuance of capital and transfer of securities.

Q.31 Which of the following is NOT true about corporate securities market reforms? [1 Marks]

- a) The secondary market overcame the geographical barriers by moving to screen based trading.
- b) Counter-party risk is borne by investors.
- c) The trading cycle in the stock exchanges follow rolling settlement.
- d) The practice of allocation of resources among different competing entities as well as its terms by a central authority was discontinued.

[1 Marks]

Security	Probability	Return
A	50	10
B	30	25
C	20	40

What will be the expected return of the portfolio?

- a) 1.75 b) 20.5
c) 1,980 d) 43

Q.33 Which of the following is FALSE about order cancellation in the NEAT system? [2 Marks]

- Order Cancellation functionality is available for all book types.
- The user is allowed to cancel auction initiation and competitor orders in auction market.
- Order Cancellation functionality can be performed only for orders which have not been fully or partially traded (for the untraded part of partially traded orders only).
- Order Cancellation functionality can be performed during market hours and in pre open period

Q.34 The maximum amount of claim payable from the IPF to the investor (where the trading member through whom the investor has dealt is declared a defaulter) is _____. [2 Marks]

- a) ₹ 15 lakh b) ₹ 10 lakh
c) ₹ 17 lakh d) ₹ 1 lakh

Q.35 ABC Bank Ltd has a policy of continuous compounding of fixed deposits. Abhishek has deposited ₹ 60,000 at the interest rate of 12% for 3 years. How much would his deposit grow upto at the end of the term? [2 Marks]

- | | | | |
|----|---------------|----|-----------|
| a) | 82,068.81 | b) | 87,730.8 |
| c) | 77,047.12 | d) | 85,999.97 |
| e) | Not Attempted | | |

Q.36 When a user logs in for the first time in the trading system of CM segment, he has to enter the default password provided by the Exchange. What is this default password ? [1 Marks]

- a) NEAT b) DEFAULTPSWD
c) NEATCM d) NEATPASSWORD

- Q.38 If the eighth and ninth character of the ISIN is mentioned as 12, what does it indicate.

- Q.39 If a client buys shares worth ₹ 1,25,000 and sells shares worth ₹ 75,000 through a broker, then the maximum brokerage payable to him is _____. [2 Marks]

- Q.40 In case of surrender of the membership at NSEIL, _____. [2 Marks]

- Q.41 A trading member on the NSE, has set the branch order value unlimited for his Chennai branch and ₹ 650 lakh for Kolkata branch. Chennai branch has two users 'X' and 'Y' with user order value limits of ₹ 250 lakh and ₹ 300 lakh respectively. Kolkata branch has one user 'Z' with user order value limit of ₹ 350 lakh. The member applies for a new user at Kolkata. What is the maximum user order value that can be set for the new user? [3 Marks]

- Q.42 An application for arbitration can be filed within _____ from the date of dispute. [1 Marks]

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Q.43 SEBI (Intermediaries) Regulations 2008 are not applicable for foreign venture capital investors. [1 Marks]

- a) True
- b) False

Q.44 Which of the following requirements by intermediaries are laid down by the SEBI (Intermediaries) Regulations, 2008 for all the Intermediaries.

- a) Grant of Registration
- b) Code of Conduct
- c) Common procedure for action in case of default.

[1 Marks]

- a) b, c
- b) a, b, c
- c) b
- d) a, b

Q.45 Which of the following is not a delivery report ?

[2 Marks]

- a) Member wise withheld securities statement
- b) Margin Report
- c) Client Allocation Details
- d) Demat Final Delivery Statement

Q.46 Who can set Branch Order Value limits on the NEAT system?

[2 Marks]

- a) None of the above
- b) Dealer
- c) Corporate manager
- d) Branch manager

Q.47 If the eighth and ninth character of the ISIN is mentioned as 07, what does it indicate.

[2 Marks]

- a) Security is non-convertible preference share
- b) Security is a warrant
- c) Security is equity share/mutual fund
- d) Security is secured debenture

Q.48 If a client buys shares worth ₹ 90,000 and sells shares worth ₹ 1,10,000 through a stock-broker, then the maximum brokerage payable is _____. [3 Marks]

- a) ₹ 4,000
- b) ₹ 6,000
- c) ₹ 2,000
- d) ₹ 5,000

Q.49 If the eighth and ninth character of the ISIN is mentioned as 08, what does it indicate

[2 Marks]

- a) Security is equity share / mutual fund
- b) Security is non-convertible preference share

- c) Security is secured debenture
- d) Security is an unsecured debenture

Q.50 NSE's Certification in Financial Markets is NOT a testing and certification system. [1 Marks]

- a) Nation-wide
- b) Conventional
- c) Fully automated
- d) Online

Q.51 The securities market has two segments primary and secondary.

Is the above statement True or False

[1 Marks]

- a) False
- b) True

Q.52 Auction is held in XYZ for 10,000 shares.

The closing price of XYZ on that day was ₹146.00

The last traded price of XYZ on that day was ₹141.00

The close price of XYZ last Friday was ₹142.00

The previous day's close price of XYZ was ₹151.00

What is the maximum allowable price at which the member can put a sell order in the auction for XYZ? (Price band applicable for Auction market is +/-15%) [3 Marks]

- a) ₹ 167.90
- b) ₹ 173.65
- c) ₹ 163.30
- d) ₹ 162.15

Q.53 In case of failure to give delivery in a limited physical market, close out price is _____ % over the actual trade price. [2 Marks]

- a) 20
- b) 25
- c) 15
- d) 30

Q.54 _____ price is the price for orders after the orders get triggered from the stop loss book. [1 Marks]

- a) Limit
- b) Trigger
- c) Not Attempted

Q.55 A depository participant [1 Marks]

- a) Is an investor who buys/sells shares through the depository.
- b) Trades in the dematerialised shares.
- c) Destroys the share certificates and makes a credit entry for his clients.

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[1 Marks]

- a) b, c b) a, b
c) a, c d) a, b, c

[2 Marks]

- [1 Marks]

- [1 Marks]

- [2 Marks]

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- c) The issuer is state government
d) The issuer is municipal corporation

Answers

1.	(b)	2.	(b)	3.	(c)
4.	(a)	5.	(b)	6.	(a)
7.	(c)	8.	(a)	9.	(b)
10.	(a)	11.	(a)	12.	(b)
13.	(d)	14.	(c)	15.	(b)
16.	(d)	17.	(a)	18.	(d)
19.	(c)	20.	(b)	21.	(d)
22.	(b)	23.	(d)	24.	(c)
25.	(c)	26.	(d)	27.	(d)
28.	(b)	29.	(b)	30.	(a)
31.	(b)	32.	(b)	33.	(b)
34.	(a)	35.	(d)	36.	(c)
37.	(b)	38.	(d)	39.	(a)
40.	(d)	41.	(a)	42.	(c)
43.	(a)	44.	(b)	45.	(b)
46.	(c)	47.	(d)	48.	(d)
49.	(d)	50.	(b)	51.	(b)
52.	(b)	53.	(a)	54.	(a)
55.	(d)	56.	(d)	57.	(d)
58.	(b)	59.	(a)	60.	(a)

References and Suggested Readings

The readings suggested here are supplementary in nature and would prove to be helpful for those interested in acquiring advanced knowledge about Capital Markets.

1. www.nseindia.com
2. www.sebi.gov.in
3. www.rbi.org.in
4. www.finmin.nic.in
5. Rules, Regulations and Byelaws of NSEIL & NSCCL
6. Indian Securities Market: A Review - NSEIL publication
7. NSE Newsletter – NSEIL publication







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