## **MODEL TEST PAPER**

Q.1	App	eal against the orders Securities and Ex	chan	ge 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 ca	ase, a body corporate is applying for tra IL,	ading	membership in the capital market	segment of [3 Marks]			
	a)	At least 5 directors should be gradua	tes of	whom one should be a profession	al.			
	b)	Atleast two directors should be grad securities market.	luates	and have minimum of 2 years ex	eperience of			
	c)	No prior experience is required.						
	d)	All the directors should be graduates						
Q.3	Wha	at is the purpose of 'Trade Log' report o	n 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 rel day.	ated a	activity by the trading member fo	or a specific			
	d)	To show the trades that was done by	the tr	ading member for the last seven d	ays.			
Q.4	In A	SBA, 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 comme	enced	operations in	[1 Marks]			
	a)	Sep-96	b)	Nov-94				
	c)	Aug-96	d)	Nov-96				
Q.6	chan	obligates the depositories to manges in such records electronically at the		n ownership records of securities est of the owner of the securities.	s and effect [2 Marks]			
	a)	The Depositories Act, 1996						
	b)	The SEBI Act, 1992						
	c)	The Securities Contract (Regulation)	Act, 1	956				
	d)	The Companies Act. 1956						

Q.7	The f	[1 Marks]						
	a)	Issuer type	b)	Security type				
	c)	Country code	d)	Company identity				
Q.8		h of the following is true regarding the bership?	e norn	ns and procedures pertaining t	o surrender of [3 Marks]			
	a)	A trading member desirous of surrewriting in a prescribed form	ender	ing membership has to give	its request in			
	b)	The original SEBI registration certific by the trading member.	ates f	or all trading segments have to	be submitted			
	c)	Sub-broker registration certificates ha	ave to	be submitted				
	d)	All leased lines and VSATs will not be	disma	antled for the surrendering trac	ling member.			
	a)	a, b, c	b)	a, c				
	c)	a, d	d)	a, b, c, d				
Q.9	If the	eighth and ninth character of the ISIN	is me	ntioned as 04, what does it ind	icate.			
	a)	Security is security receipt			[2 Marks]			
	b)	Security is non-convertible preference share						
	c)	Security is a warrant						
	d)	Security is equity share / mutual fund						
Q.10	Activ	ities in the 'Activity Log' screen on the	NEAT	'system are displayed in	[2 Marks]			
	a)	Chronological order where within the activity first and the latest last	e orde	er number, the details appear v	vith the oldest			
	b)	Descending order of order numbers						
	c)	Ascending order of order numbers						
	d)	Reverse chronological order						
Q.11	The '	Snap Quote' screen in the NEAT systen	n enal	oles the user to view .	[1 Marks]			
	a)	Instantaneous market information on a desired security.						
	b)	Best five quotes in the market.						
	c)	Quotes in the normal market.						
	d)	None of the above.						
Q.12	Clear	ring and settlement of trades and risk n	nanag	ement are central functions of	NSCCL.			
	a)	False			[2 Marks]			

	b)	True			
	c)	Not Attempted			
Q.13	Who	provides counter party guarantee for a	all trac	des executed on NSEIL?	[1 Marks]
	a)	NSE Clearing House	b)	NSEIL	
	c)	NSDL	d)	NSCCL	
Q.14	Whic	h of the following is FALSE about aucti	ons in	the NEAT system?	[2 Marks]
	a)	All auction orders are entered into the	e aucti	on order book.	
	b)	Auction matching takes place only acr	oss oi	ders belonging to the same auctior	1.
	c)	All auction trades take place at the la in the normal market.	st trac	led price for that day in the regula	r lot book
	d)	Auction order matching takes place at	the e	nd of the solicitor period for the au	ction.
Q.15		der cancellation and order modificativet segment.	on al	lowed for orders entered in the r	etail debt [2 Marks]
	a)	False			
	b)	True			
Q.16	perce	FIIs can invest in a company uptoentage can be increased upto the sectong a resolution of its board of directors	oral ca		=
	a)	32	b)	26	
	c)	28	d)	24	
Q.17	Are s	ecured loans a part of Liability or Asse	t in ba	lance sheet ?	[1 Marks]
	a)	Liability			
	b)	Asset			
	c)	Not Attempted			
Q.18		ber can procure the CTCL Software fro on-empanelled Vendors c) Develo	-	<del>-</del>	[1 Marks]
	a)	b	b)	a	
	c)	c	d)	d	
Q.19	The (	Client registration form is filled by the o	client	when	[2 Marks]
	a)	Client delivers spurious shares	b)	Broker has to file FIR against clien	t
	c)	Client enrolls himself with the broker	d)	Client defaults in making payment	S

Q.20	20 The corporate action indicator XB on the NEAT system stands for [2 Marks]					
	a)	Ex-dividend	b)	Ex-bonus		
	c)	Ex-rights	d)	Ex-interest		
Q.21	Whic	h of the following statements is NOT co	orrect	?	[1 Marks]	
	a)	Depository is registered owner of the	secur	ities held in demat form.		
	b)	Securities in a depository are fungible				
	c)	Securities in a depository are held in o	lemat	erialised form.		
	d)	Dematerialised securities have distinct	t nun	abers.		
Q.22	Do cl	earing banks provide stock lending fac	ilities	?	[1 Marks]	
	a)	False				
	b)	True				
	c)	Not Attempted				
Q.23	SEBI	has prescribed the Code of Conduct for	r the s	ub-brokers in	[1 Marks]	
	a)	Indian Contract Act, 1872				
	b)	Securities Contracts (Regulation) Act,	1956			
	c)	Companies Act, 1956				
	d)	SEBI (Stock Brokers and Sub-Brokers)	) Regi	ılations, 1992		
Q.24	A sto	ckbroker means a member of			[1 Marks]	
	a)	SEBI	b)	Any exchange		
	c)	A recognised stock exchange	d)	Any stock exchange		
Q.25	What syste	t price does a market order take, in cas m?	se the	security has never been traded on	the NEAT [2 Marks]	
	a)	The market order gets cancelled by th	e syst	em.		
	b)	Market orders cannot be entered for a	secu	rity in which a trade has not taken	place.	
	c) The market order takes the value of the base price and sits in the order book as a passive order.					
	d)	None of the above				
Q.26	₹ 155 ₹ 150	ber A places a buy order for 1000 shares per share. Member B places a sell of per share. Assume that no other order the trade will take place and if yes	rder ers w	for 2000 shares of ABC Ltd. at 11 ere available in the system during	:22:02 for	

- 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.

Q.32 A portfolio contains securities with the expected return as follows:-

[1 Marks]

Security	Probability	Return
A	50	10
В	30	25
С	20	40

What will be the expected return	n of the portfolio?
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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?	
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[2 Marks]

- a) Order Cancellation functionality is available for all book types.
- b) The user is allowed to cancel auction initiation and competitor orders in auction market.
- c) 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).
- d) 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 continous 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.37	Whic	ch of the following statement(s) is/are	true p	ertaining to Mark - to - Market margin?
	a)	It is calculated by marking each trasecurity at the end of trading.	ansac	tion in security to the closing price of the
	b)	The margin is collected from the mem	ber b	efore the start of the trading of the next day.
	c)	The MTM margin is collected on the g	ross o	pen position of the member. [1 Marks]
	a)	a,b	b)	a,b,c
	c)	a,c	d)	b,c
Q.38	If the	e eighth and ninth character of the ISIN	is me	ntioned as 12, what does it indicate.
	a)	Security is deep discount bond		[2 Marks]
	b)	Security is a floating rate bond		
	c)	Security is regular return bond / pron	nissor	ry note
	d)	Security is step discount bond		
Q.39		client buys shares worth ₹ 1,25,000 a the maximum brokerage payable to hi		lls shares worth ₹ 75,000 through a broker, [2 Marks]
	a)	₹5,000	b)	₹ 24,000
	c)	₹20,000	d)	₹16,000
Q.40	In ca	se of surrender of the membership at N	ISEIL,	[2 Marks]
	a)	The matter is treated as confidential		
	b)	Only the members are notified by way	of a	circular
	c)	The surrendering member is permitte	d to t	rade with a limited exposure
	d)	Advertisement is issued in leading date	lies	
Q.41	brane order with	ch and ₹ 650 lakh for Kolkata branch. r value limits of ₹ 250 lakh and ₹ 300	Chenr lakh : ne me	anch order value unlimited for his Chennai nai branch has two users 'X' and 'Y' with user respectively. Kolkata branch has one user 'Z' mber applies for a new user at Kolkata. What for the new user? [3 Marks]
	a)	₹ 300 lakh	b)	unlimited
	c)	Zero	d)	Not more than ₹ 650 lakh
Q.42	An aj	oplication for arbitration can be filed w	rithin	from the date of dispute. [1 Marks]
	a)	3 months	b)	45 days
	c)	6 months	d)	1 year

Q.43	SEBI	(Intermediaries) Regulations 2008 stors.	are	not applicable for foreign ventu	re capital [1 Marks]		
	a)	True					
	b)	False					
Q.44		th of the following requirements by rmediaries) Regulations, 2008 for all t			the SEBI		
	a)	Grant of Registration					
	b)	Code of Conduct					
	c)	Common procedure for action in case	of de	fault.	[1 Marks]		
	a)	b, c	b)	a, b, c			
	c)	b	d)	a, b			
Q.45	Whic	ch of the following is not a delivery rep	ort?		[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 t	he NE	AT system?	[2 Marks]		
	a)	None of the above	b)	Dealer			
	c)	Corporate manager	d)	Branch manager			
Q.47	If the	e eighth and ninth character of the ISIN	is me	entioned as 07, what does it indicat	e.		
	a)	Security is non-convertible preference			[2 Marks]		
	b)	Security is a warrant					
	c)	Security is equity share/mutual fund					
	d)	Security is secured debenture					
Q.48		client buys shares worth ₹ 90,000 c-broker, then the maximum brokerage			through a [3 Marks]		
	a)	₹4,000	b)	₹ 6,000			
	c)	₹2,000	d)	₹ 5,000			
Q.49	If the	e eighth and ninth character of the ISIN	is me	ntioned as 08, what does it indicat	e		
	a)	Security is equity share / mutual fund			[2 Marks]		
	h)	Security is non-convertible preference	e shar	r <u>o</u>			

	c)	Security is secured debenture			
	d)	Security is an unsecured debenture			
Q.50	NSE's	s Certification in Financial Markets is N	ОТ а	testing and certification system.	[1 Marks]
	a)	Nation-wide	b)	Conventional	
	c)	Fully automated	d)	Online	
Q.51	The s	securities market has two segments pri	mary	and secondary.	
	Is the	e above statement True or False			[1 Marks]
	a)	False	b)	True	
Q.52	Aucti	on is held in XYZ for 10,000 shares.			
	The o	closing price of XYZ on that day was ₹1	46.00		
	The l	ast traded price of XYZ on that day was	s ₹14í	1.00	
	The c	close price of XYZ last Friday was ₹142	.00		
	The p	previous day's close price of XYZ was ₹	151.0	0	
		<del>-</del>		=	the auction [3 Marks]
	a)	₹167.90	b)	₹ 173.65	
	c)	₹163.30	d)	₹ 162.15	
Q.53			ed ph	ysical market, close out price is	[2 Marks]
	a)	20	b)	25	
	c)	15	d)	30	
Q.54		price is the price for orders	s afte	the orders get triggered from the	e stop loss
	book				[1 Marks]
	a)	Limit			
	b)	Trigger			
	c)	Not Attempted			
Q.55	A dep	pository participant			[1 Marks]
	a)	Is an investor who buys/sells shares t	hroug	th the depository.	
	b)	Trades in the dematerialised shares.			
	c)	Destroys the share certificates and ma	akes a	credit entry for his clients.	
	Q.51 Q.52 Q.53	d) Q.50 NSE's a) c) Q.51 The s Is the a) Q.52 Aucti The I The I What for X a) c) Q.53 In ca % ov a) c) Q.54 ——— book a) b) c) Q.55 A dep a) b)	d) Security is an unsecured debenture  Q.50 NSE's Certification in Financial Markets is N a) Nation-wide c) Fully automated  Q.51 The securities market has two segments pridicate above statement True or False a) False  Q.52 Auction is held in XYZ for 10,000 shares. The closing price of XYZ on that day was ₹1 The last traded price of XYZ on that day was ₹142 The previous day's close price of XYZ was ₹ What is the maximum allowable price at where for XYZ? (Price band applicable for Auction a) ₹ 167.90 c) ₹ 163.30  Q.53 In case of failure to give delivery in a limiter % over the actual trade price. a) 20 c) 15  Q.54 price is the price for orders book. a) Limit b) Trigger c) Not Attempted  Q.55 A depository participant a) Is an investor who buys/sells shares to Trades in the dematerialised shares.	d) Security is an unsecured debenture  Q.50 NSE's Certification in Financial Markets is NOT at a a) Nation-wide b) c) Fully automated d)  Q.51 The securities market has two segments primary Is the above statement True or False a) False b)  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 ₹142.00 The previous day's close price of XYZ was ₹151.0 What is the maximum allowable price at which the for XYZ? (Price band applicable for Auction mark a) ₹167.90 b) c) ₹163.30 d)  Q.53 In case of failure to give delivery in a limited phy % over the actual trade price.  a) 20 b) c) 15 d)  Q.54 price is the price for orders after book.  a) Limit  b) Trigger  c) Not Attempted  Q.55 A depository participant  a) Is an investor who buys/sells shares through the dematerialised shares.	d) Security is an unsecured debenture  Q.50 NSE's Certification in Financial Markets is NOT a testing and certification system.  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 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 t for XYZ? (Price band applicable for Auction market is +/-15%) 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. a) 20 b) 25 c) 15 d) 30  Q.54 price is the price for orders after the orders get triggered from the book. a) Limit b) Trigger c) Not Attempted  Q.55 A depository participant a) Is an investor who buys/sells shares through the depository. b) Trades in the dematerialised shares.

	d)	Is an agent of the depository and tak sends them for dematerialisation.	es ph	ysical share certificates from his cl	lients and	
Q.56	2.56 Under the Member Constituent Agreement, trading members are required to make the client aware of which of the following [1 Mark					
	a)	Trading segment in which the trading	mem	ber is admitted		
	b)	SEBI Registration number				
	c)	Basic risks involved in trading on the	Excha	nge		
	a)	b, c	b)	a, b		
	c)	a, c	d)	a, b, c		
Q.57	conti	Desai has decided to deposit ₹ 100,000 nuous compounding and the prevails sit grow upto in 2 years?		iterest rate is 11.5% how much v		
	a)	166,141.11	b)	171,507.54		
	c)	185,570.7	d)	224,871.26		
Q.58	Whic	h of the following is deemed to be price	e sens	sitive information ?	[1 Marks]	
	a)	Periodical financial results of the com	pany			
	b)	Intended declaration of dividends (bo	th int	erim and final)		
	c)	Issue of securities or buy back of secu	rities			
	d)	Any major expansion plans or execution	on of	new projects		
	a)	b, c, d	b)	a, b, c, d		
	c)	c, d	d)	a, b, c		
Q.59	Whic	h of the following statements is FALSE	abou	t the NEAT system?	[1 Marks]	
	a)	All orders placed on NEAT must neces	sarily	result in trades.		
	b)	Orders are matched automatically by objective and fair.	y the	computer keeping the system tra	nsparent,	
	c)	All orders received on the system are priority for matching.	sorte	ed with the best priced order gettin	g the first	
	d)	Similarly priced orders are sorted on	time p	priority basis.		
Q.60	If the	third character of the ISIN is mentione	ed as '	E' what does this denote ?	[2 Marks]	
-	a)	The issuer is company, statutory corp			-	
	b)	The issuer is mutual fund				

- 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





