

IMSc in IT FIN (NEP) Sem.-3 Examination

DSC-C-FIN-232T

Capital Market Operations

Time : 2.00 Hours]

December-2025

[Max.Marks : 50

Instructions:

- Figures to the right indicate Full Marks.
- Do not write anything on the question paper

Q.1 Suhana is studying the Indian capital market but is unsure about how different types of markets function. She wants to understand the distinction between the primary and secondary markets and how each contributes to India's overall capital market system. Based on this situation, explain how the primary and secondary markets differ and what specific roles they play..

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OR

Shezin is confused about who participates in the capital market. Based on this situation, who are the issuers, investors, and intermediaries, and what roles do they each play in the capital market?.

Q.2 A startup is trying to raise capital but is unsure whether it should issue **common shares** or **preference shares**. The founders want to understand how these two types of shares differ in terms of ownership rights, dividends, voting power, and investor expectations. Based on this situation, explain the key differences between common and preference shares and guide the startup in selecting the most suitable option depending on its financial needs and long-term goals.

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OR

A client is considering investing in corporate bonds but is concerned about risk. How would you address their concerns?

Q.3 A stockbroker needs to explain the role of clearinghouses to a client who is new to trading. Write the explanation, focusing on the clearing process and risk mitigation.

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OR

Aydin has recently started learning about capital market operations, but he is confused about how the **NSE (National Stock Exchange)** actually works. He wants to know how trades are placed, matched, and settled on the NSE, and how systems like **NIFTY 50**, electronic trading platforms, and clearing corporations ensure smooth and fair transactions. Using this situation, explain how the NSE operates, giving suitable examples to clarify the trading and settlement process.

<p>Q.4</p>	<p>An economics researcher is studying the regulation of India's capital markets and wants to explain the distinct roles of SEBI and the RBI. They need to clarify their objectives, powers, and functions, and how each institution ensures market stability, investor protection, and financial growth. Based on this scenario, provide a detailed comparison of SEBI and RBI in terms of their responsibilities and impact on the Indian capital markets.</p> <p style="text-align: center;">OR</p> <p>The RBI has announced a 50-basis-point increase in the repo rate, and a stock market investor wants to understand its likely effects on stock prices, particularly in interest-sensitive sectors like banking and real estate. Based on this scenario, analyze how this monetary policy change may influence these sectors and explain the reasoning behind the expected impact on their stock performance.</p>	<p>10</p>
<p>Q.5</p>	<p>Attempt any five (MCQ)</p> <p>1. A bond's yield to maturity (YTM) measures:</p> <ul style="list-style-type: none"> a) Annual coupon income only b) Total return if held to maturity c) The current market value of the bond d) The interest earned per month <p>2. Derivatives are financial instruments that derive their value from:</p> <ul style="list-style-type: none"> a) Equity only b) Debt only c) Underlying assets d) Current market prices <p>3. Which valuation method uses the Market Price / Earnings Per Share formula?</p> <ul style="list-style-type: none"> a) Yield to maturity b) Current yield c) Price-to-Earnings ratio d) Net asset value <p>4. Which of the following is NOT a type of order in trading?</p> <ul style="list-style-type: none"> a) Market order b) Limit order c) Block order d) Inflation-adjusted order <p>5. What is the primary role of a clearinghouse in stock trading?</p> <ul style="list-style-type: none"> a) Issuing new securities b) Buying and selling shares c) Ensuring trade settlement d) Setting market prices <p>6. Trades on NSE and BSE are executed electronically using:</p>	<p>10</p>

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| <p>a) Physical trading floors
b) Trading terminals
c) High-frequency trading servers
d) Electronic limit order books</p> | |
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7. The standard trading hours for NSE and BSE are:

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| <p>a) 10:00 AM to 5:00 PM
b) 9:15 AM to 3:30 PM
c) 9:00 AM to 4:00 PM
d) 8:00 AM to 4:00 PM</p> | |
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