

HONS. 08/007/24

B.A., LL.B. (HONS.) DEGREE EIGHTH SEMESTER EXAMINATIONS, MAY, 2024

SECURITIES LAW

Time: 3 Hours

Maximum Marks: 50

Answer the required number of Questions from Parts A, B and C.

PART A (Questions I to VII)

Write a brief explanatory note on any FOUR of the following Questions.

Each Question carries FIVE Marks.

(4 X 5 = 20)

- I. Rights issue
- II. Government securities
- III. IDR and ADR
- IV. Book building process
- V. Employees Stock Option
- VI. Commodity Exchanges
- VII. OTC Products

PART B (Questions VIII to X)

Answer any TWO of the following Questions. Each Question carries SIX Marks.

(2 X 6 = 12)

- VIII. Based on an anonymous tip received in his mail, Rajan purchased a huge quantity of shares of XYZ Ltd. The next day, the company announced a new project due to which the market price of its shares went up considerably and Rajan could exit the market with a handsome profit. Decide whether Rajan has violated the law on insider trading. Give reasons for your answer.
- IX. Though the company received the full consideration for shares subscribed to by Abu, it issued only half the number of shares that Abu applied for. On enquiry, the company informs Abu that its Director Board had, subsequent to the acceptance of subscription, decided that the company should charge a premium equal to the face value of the shares on allotment. The company further informs Abu that if he desires so, it could refund the consideration and cancel his allotment. Abu wants to keep the shares already allotted to him and wants the company to provide the full allotment of shares subscribed for. Decide whether it is possible and advise on his further course of action. Give reasons for your answer.
- X. ABC Ltd. proposes to use the proceeds of a fresh issue of equity shares to be used to redeem its already issued debentures. Masha, a shareholder, resists this as illegal. He is outvoted in a meeting of the General Body called to approve the proposal and thereafter approaches the NCLT alleging mismanagement of the capital of the company. Decide. Give reasons for your answer.

PART C (Questions XI to XIII)

Answer any TWO of the following Questions. Each Question carries NINE Marks.

(2 X 9 = 18)

- XI. Critically evaluate the role of SEBI as the regulator of Indian securities market.
- XII. Explain the regulatory control of insider trading in Indian securities.
- XIII. Examine the regulation of intermediaries in the securities market in India.
