

SaiPhy

12th Secretarial Practice

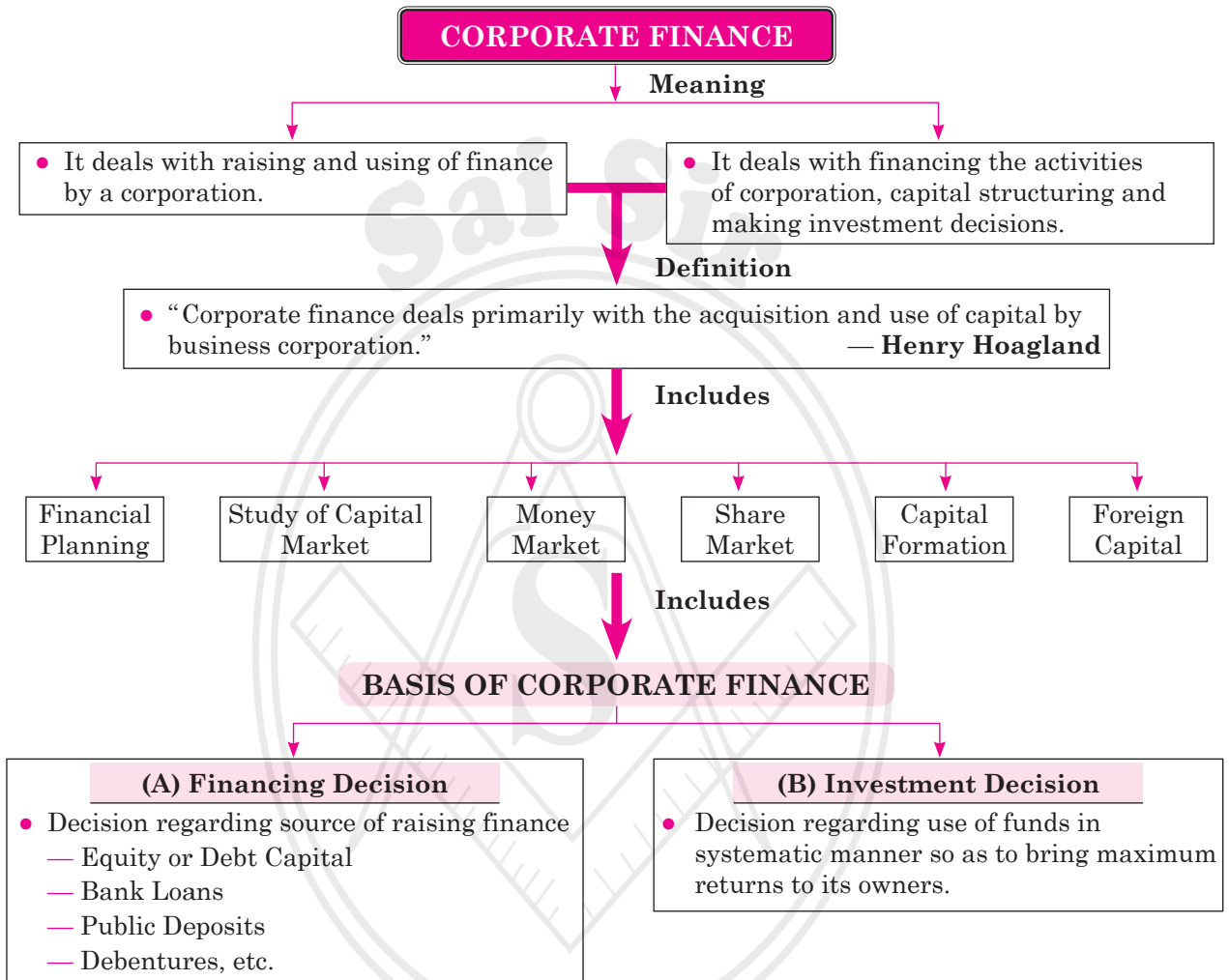
FREE MEMORY MAPS

ALL CHAPTERS



MEMORY CHART

1



2

IMPORTANCE OF CORPORATE FINANCE

- (1) Helps in decision making.
- (2) Helps in raising capital for a project.
- (3) Helps in research and development.
- (4) Helps in smooth running of business firm.
- (5) Brings co-ordination between various activities.
- (6) Promotes expansion and diversification.
- (7) Helps in managing risk.
- (8) Helps in replacing old assets.
- (9) Payment of dividend and interest.
- (10) Payment of taxes/fees.

3

CAPITAL REQUIREMENTS

- First and foremost step to take decision on the amount of capital requirement to start and run the business.
- Drafted keeping in mind present and future requirements of the business.

(A) Fixed Capital

- It refers to capital invested for acquiring fixed assets.
- It stays in business for long period.
E.g. : Land and building, plant and machinery, furniture, etc.
- Required by both - newly established company and existing company as well.
- Funding for fixed capital comes from :
 - Issue of shares or debentures or bonds or through long term loans.

(B) Working Capital

- It refers to capital required to carry out day to day business activities.
- It is needed for smooth functioning of the business.
- It is required for :
 - Building up inventories
 - Financing receivables.
 - Covering operating expenses
- **Gerstenbergh**: "The excess of current assets over current liabilities."

4

FACTOR AFFECTING -

(A) Fixed Capital Requirement

- Nature of business
- Size of business
- Scope of business
- Extent of lease and rent
- Arrangement of sub-contract
- Acquisition of old assets
- Acquisition of assets on concessional rates.
- International conditions
- Trend in economy
- Population trend
- Consumer preference
- Competitive factor

(B) Working Capital Requirement

- Nature of business
- Size of business
- Volume of sales
- Production cycle
- Business cycle
- Terms of purchase and sales
- Credit control
- Growth and expansion
- Management ability
- External factors

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CAPITAL STRUCTURE

(Reduced Syllabus for 2020-21)



Focus on the following questions: Chatur's Important Questions

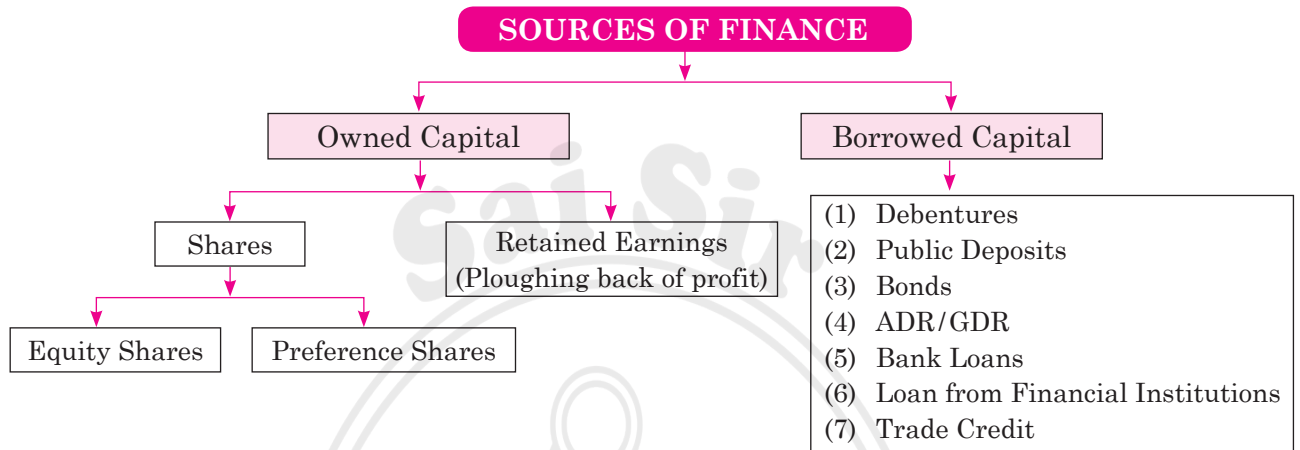
- Q.1. Explain the importance of corporate finance.
- Q.2. Discuss the factors determining working capital requirement.
- Q.3. Distinguish between fixed capital and working capital.





MEMORY CHART

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2

- Capital raised by company with the help of shareholders.

OWNED CAPITAL

- Regarded as **permanent** capital.

- Provide **initial source** of capital for a new company

3

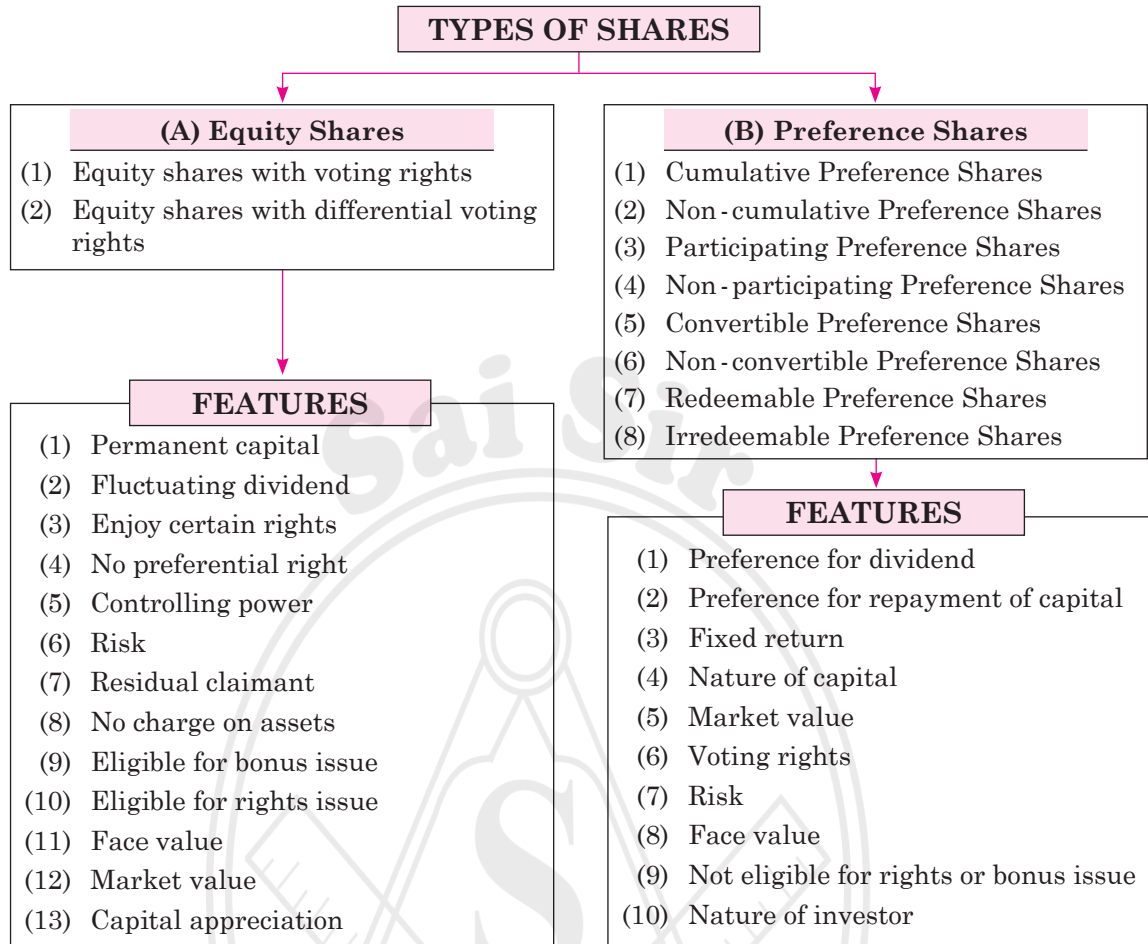
SHARES**Definition**

- “Share means a share in the share capital of a company and includes stock.”
— **Section 2 (84) – Companies Act, 2013**

FEATURES

- (1) Meaning → Smallest unit in total share capital
- (2) Ownership → Shareholders
- (3) Distinctive numbers
- (4) Evidence of title
- (5) Value of Share (Face value, Issue price, Market value)
- (6) Rights → Receive dividend, Inspect statutory books, attend shareholders meeting, right to vote, etc.
- (7) Transferability
- (8) Property of shareholder
- (9) Income → Dividend
- (10) Kinds of shares: • Equity shares • Preference shares

(3)



4

RETAINED EARNINGS

(Reduced Syllabus for 2020-21)

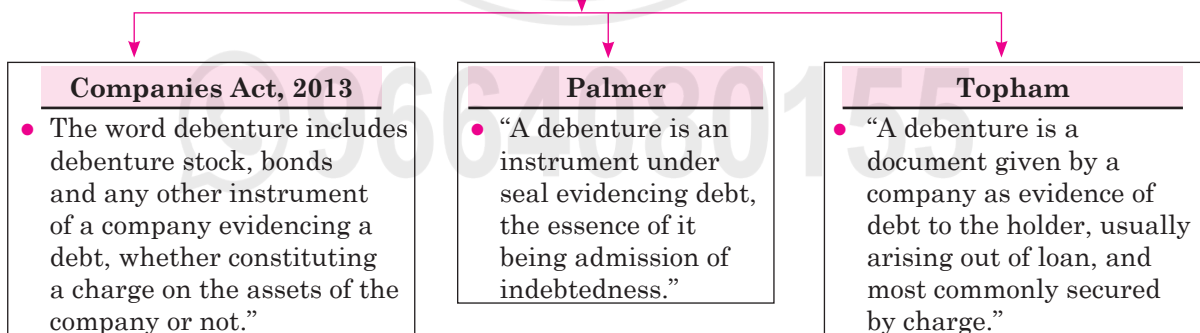
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- Latin word 'debere' means 'to owe'.

DEBENTURES

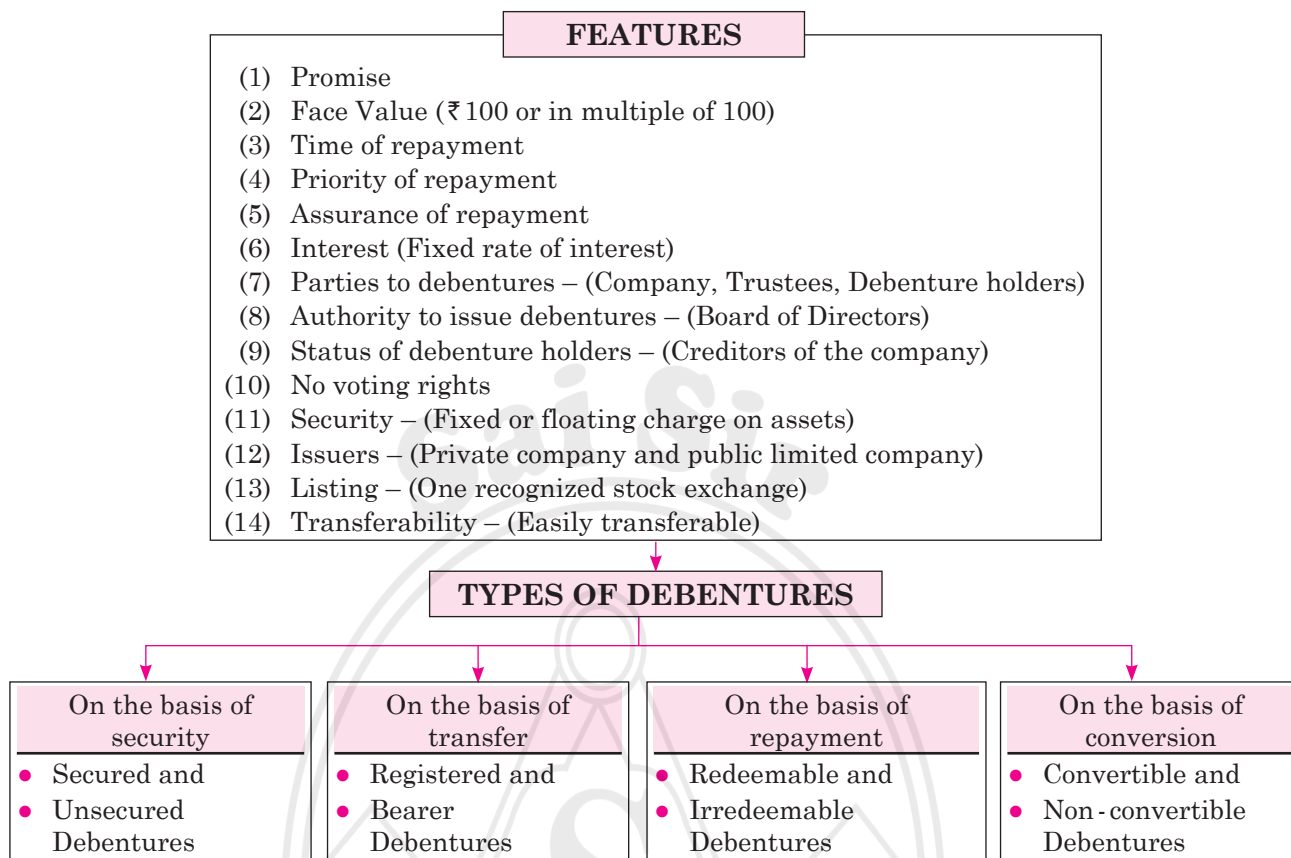
- Principal source of raising borrowed capital

Definitions

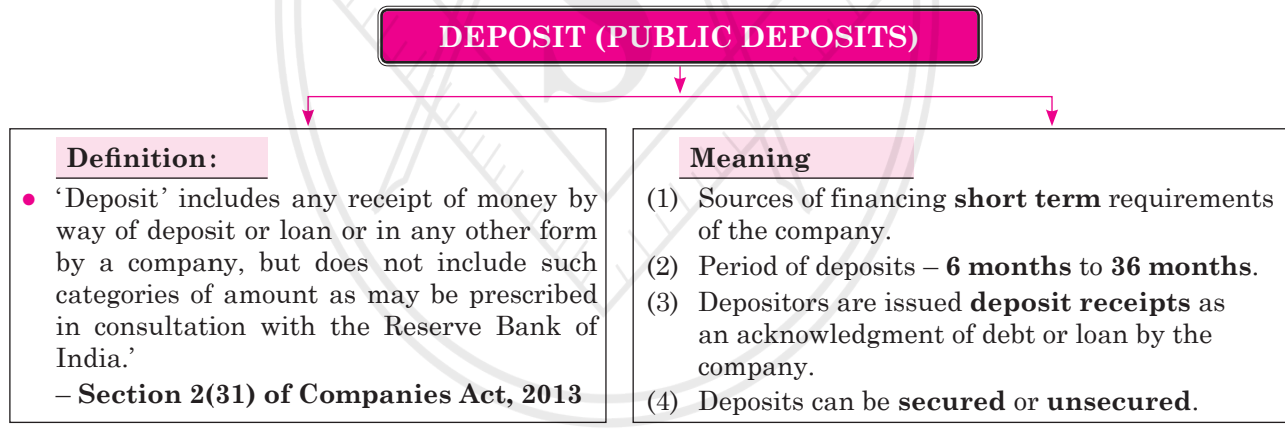


• **Conclusion:**

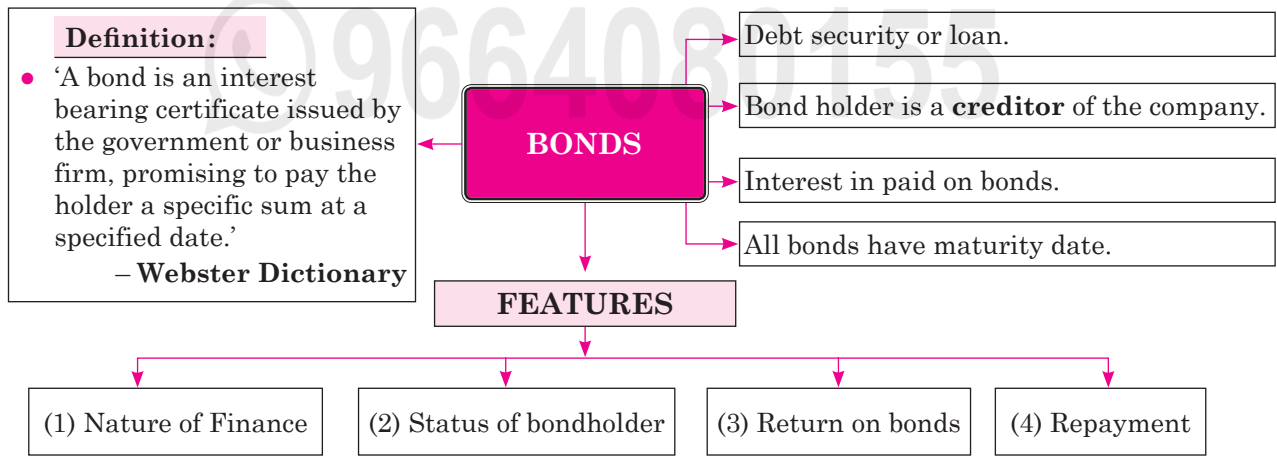
- (a) Debenture is an evidence of indebtedness.
- (b) It is issued in the form of debenture certificate under the common seal of the company.



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8

AMERICAN DEPOSITORY RECEIPT (ADR) AND GLOBAL DEPOSITORY RECEIPT (GDR)

- (1) It is an Dollar/ Euro denominated instrument traded in USA and Europe Stock Exchange.
- (2) Issued by foreign depository bank like Bank of New York, Citi group, etc.
- (3) Issued against shares of Indian company.
- (4) It can be traded on stock exchanges like regular shares
- (5) ADR → if Depository Receipt traded in USA
GDR → if Depository Receipt traded in a country other than USA
- (6) Exchanges where GDR is traded are:
 - London Stock Exchange
 - Luxembourg Stock exchange.
 - NASDAQ Dubai
 - Singapore Stock exchange.
 - Hongkong Stock exchange.

9

COMMERCIAL BANKS

Assists Corporate Enterprises

By

- (a) Granting term loans
- (b) Subscribing shares and debentures
- (b) Underwriting issue of securities

Disburse Capital

Through

- (1) Overdraft
- (2) Cash Credit
- (3) Cash Loans
- (4) Discounting of Bills of Exchange

10

FINANCIAL INSTITUTIONS

(Reduced Syllabus for 2020-21)

11

TRADE CREDIT

(Reduced Syllabus for 2020-21)



Focus on the following questions: Chatur's Important Questions

- Q.1. Distinguish between: (a) Equity shares and Preference shares
(b) Share and Debenture
- Q.2. What is an equity share? Explain its features.
- Q.3. What are preference shares? Explain the types of preference shares.
- Q.4. Define and explain the type of debentures.
- Q.5. What are features of preference shares?





MEMORY CHART

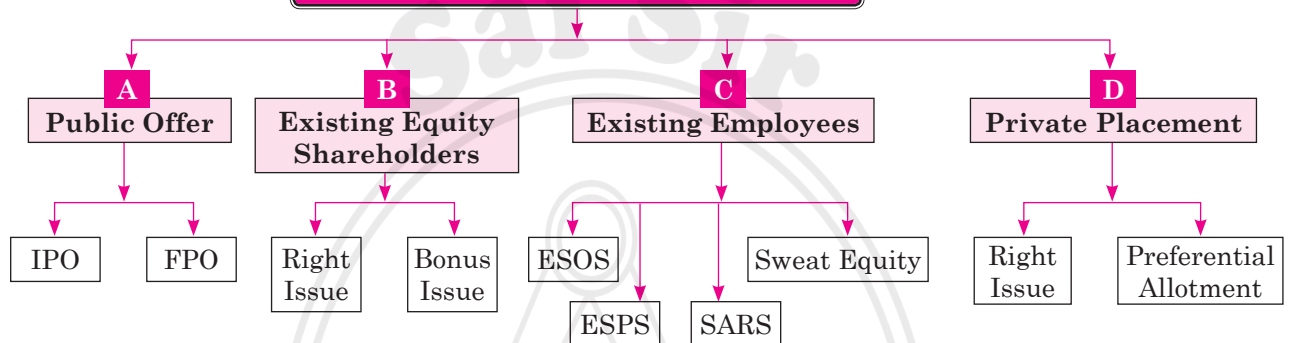
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CLASSIFICATION OF SHARE CAPITAL

(Reduced Syllabus for 2020 - 21)

2

METHODS OF ISSUE OF SHARES



3

ALLOTMENT OF SHARES

Meaning

- Appropriation or giving shares by Board of Directors to an applicant on the basis of his application is called allotment of shares.

Definition

- “The appropriation out of the previously unappropriated capital of the company of a certain number of shares to a person.”
– Supreme Court

Provisions or Conditions for Allotment of Shares

(Companies Rule, 2014 and SEBI Regulation, 2018))

Statutory Provision

- Registration of prospectus
- Application Money
(Companies Act – Minimum 5%;
SEBI – 25% of nominal amount of shares)
- Minimum subscription
(90% of Issue – 30 days)
- Closing of subscription list
- Basis of allotment
- Over subscription
- Permission to deal on Stock Exchange
- Appointment of managers to the issue and other agencies

General Provisions

- Proper Authority (Board of Directors)
- Allotment must be against application only
- Reasonable time (60 days)
- Absolute and unconditional allotment
- Communication
- It should not be in contravention of any other laws.

Procedure for Allotment of Shares

(Reduced Syllabus for 2020 - 21)

4

SHARE CERTIFICATE

Meaning

- It is a registered document issued by a company which is an evidence of ownership of specified number of shares of the company.
- It is a prima facie evidence of title to shares.
- It is issued under the common seal of the company, if any and signed by two Directors and a Company Secretary or any authorised person.

(1) Name of Company, CIN, Registered office address

(2) Folio number

CONTENT OF SHARE CERTIFICATE

(3) Share Certificate number

(6) Amount paid on shares

(4) Name of member

(5) Nature of share, number of shares and distinctive numbers of shares

TIME OF ISSUE OF SHARE CERTIFICATE

Within 2 months from Date of Incorporation

Within 2 months from Date of Allotment

Within 1 month from date of receipt of instrument of transfer or intimation of transmission

To subscribers of Memorandum of Association

To allottees in case of allotment of shares

- To transferee in case of transfer of shares
- To the legal representative in case of transmission of shares

DUPLICATE SHARE CERTIFICATE

Issued

(A) If original certificate is defaced, mutilated or torn.

(B) If proved by holder that original share certificate is lost or destroyed.

(C) Should be issued within 3 months from date of application.

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CALLS ON SHARES, FORFEITURE OF SHARES, SURRENDER OF SHARES

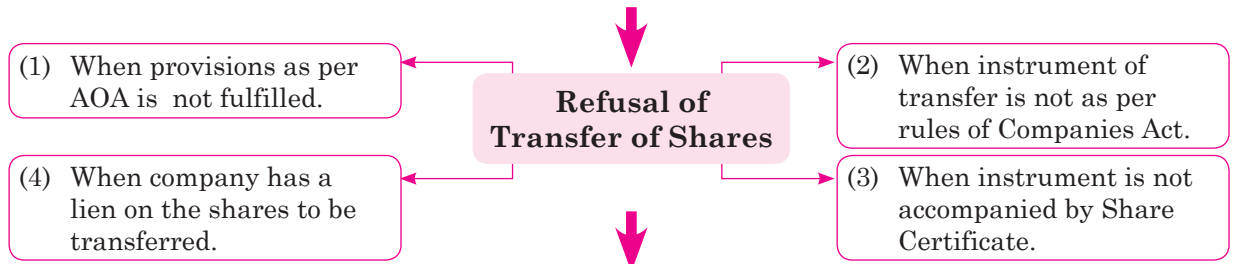
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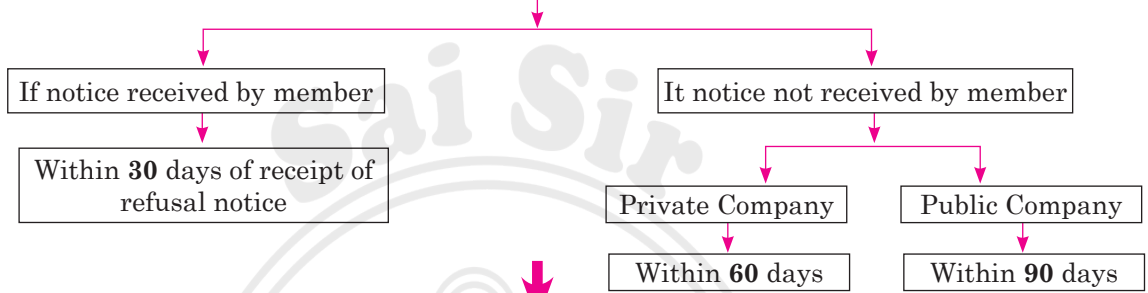
TRANSFER OF SHARES

Meaning

- It means voluntary transfer of shares by a member of a company in favour of another person for consideration or by way of gift.
- Public company shares are freely transferable while private company shares have restrictions on transfer.
- Transfer takes place with the help of '**Instrument of Transfer**'.
- Member transferring the shares is called '**Transferor**' and to whom the shares are transferred is called '**Transferee**'.
- Transfer in physical form **requires** 'stamp duty' while transfer through demat form **does not require** 'stamp duty'.



APPEAL TO NCLT AGAINST REFUSAL OF TRANSFER



BLANK TRANSFER

- When a member signs the instrument of transfer without filling the name of transferee, it is called 'Blank transfer'.
- It enables easy purchase and sale of shares.
- Stamp duty is not paid by intermediate buyers.

FORGED TRANSFER

- It is a transfer where the signature of the transferor is forged.

7

TRANSMISSION OF SHARES

- (1) It takes place due to operation of law on death, insolvency or insanity of a person.
- (2) It is an involuntary action.
- (3) Legal heir initiates the process of transmission.
- (4) No need of instrument of transfer or stamp duty.
- (5) **Share will be transferred to:**
 - (a) Legal heir → in case of death of a member
 - (b) Guardian of a member → in case of insanity of a member
 - (c) Official receiver appointed by court → in case of insolvency of a member.



Focus on the following questions: Chatur's Important Questions

- Q.1. Distinguish between transfer of shares and transmission of shares.
- Q.2. What is allotment of shares? Explain provision for allotment of shares.
- Q.3. What is share certificate? What are contents of a share certificate?

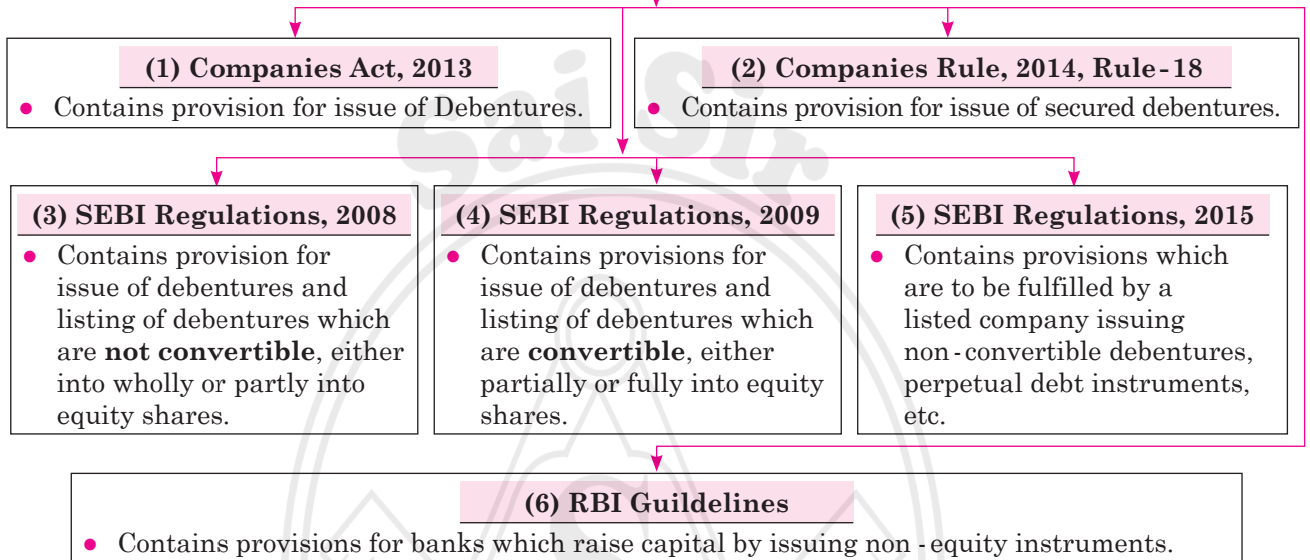




MEMORY CHART

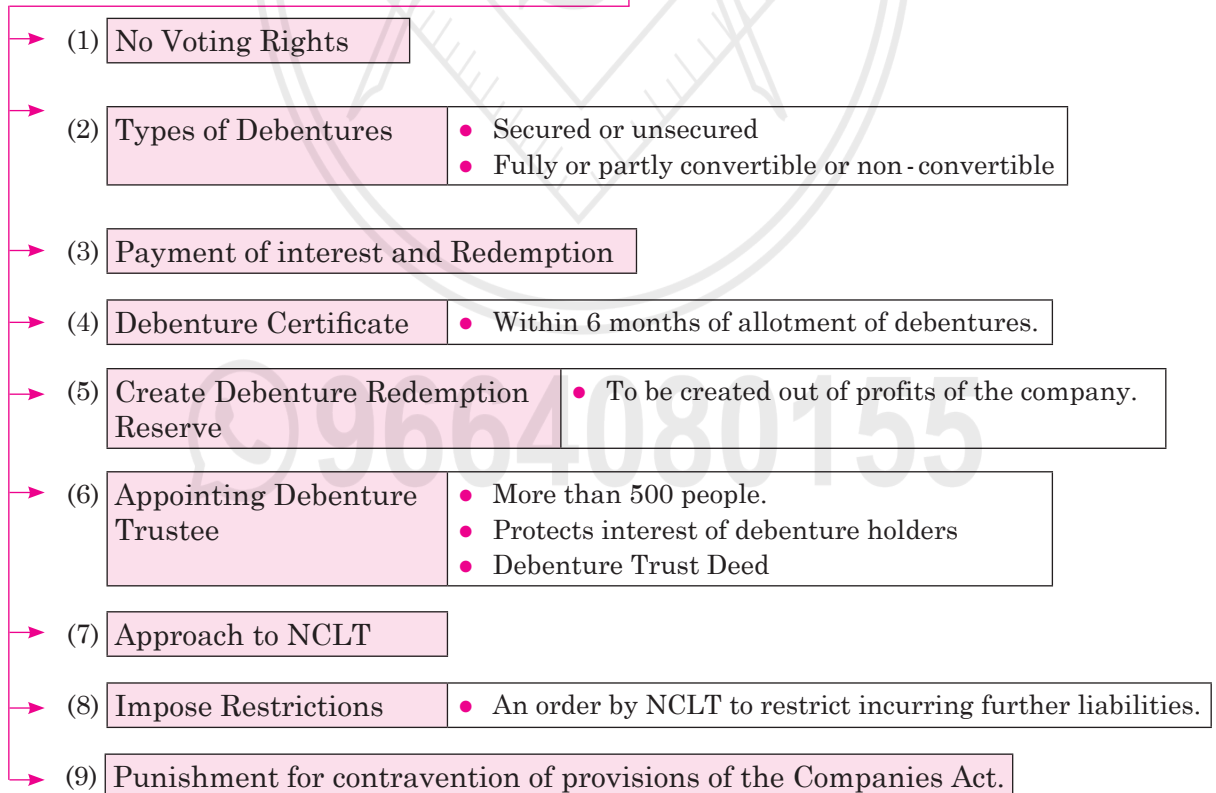
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RULES GOVERNING ISSUE OF DEBENTURES



2

PROVISIONS FOR ISSUE OF DEBENTURES AS PER COMPANIES ACT, 2013



3

PROVISIONS AS PER COMPANIES RULES, 2014 (Rule 18)

(1) Tenure of Secured Debentures

- **10 years** from the date of issue.
- Companies engaged in Infrastructure Projects, or companies permitted by the Ministry of Corporate Affairs, Central Government or RBI can issue debentures upto **30 years**.

(2) Create charge on Assets

- Company has to create a charge on the assets of the company or its subsidiary company or holding company.
- Company having Central or State Government's guarantee need not create any charge on its assets.

(3) Appointment of Debenture Trustee

- To be appointed before issuing prospectus or offer letter.
- To execute Debenture Trust Deed before issuing prospectus or offer letter or **within 60 days** from the allotment of debentures.

(4) Create Debenture Redemption Reserve

- To be created out of the profits available.
- Atleast **25 %** of the value of outstanding debentures.
- To be invested or deposited on or before **30th April** each year, a sum not less than **15%** of the amount of its debentures maturing.

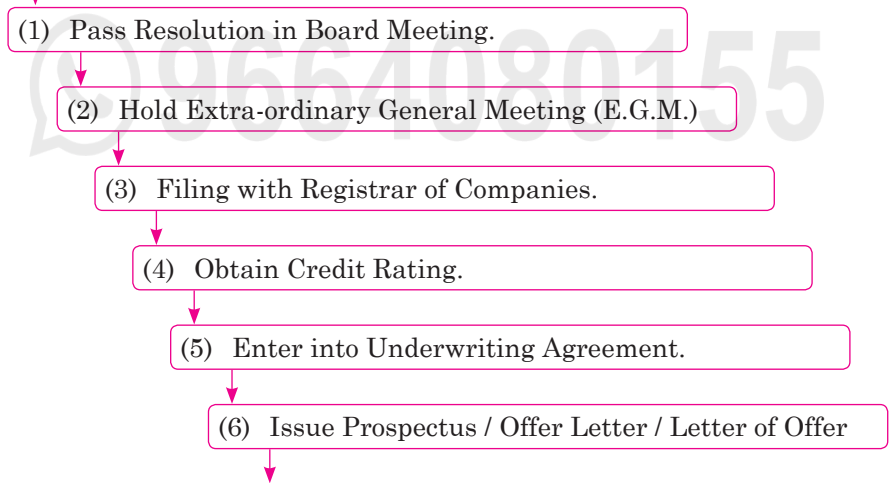
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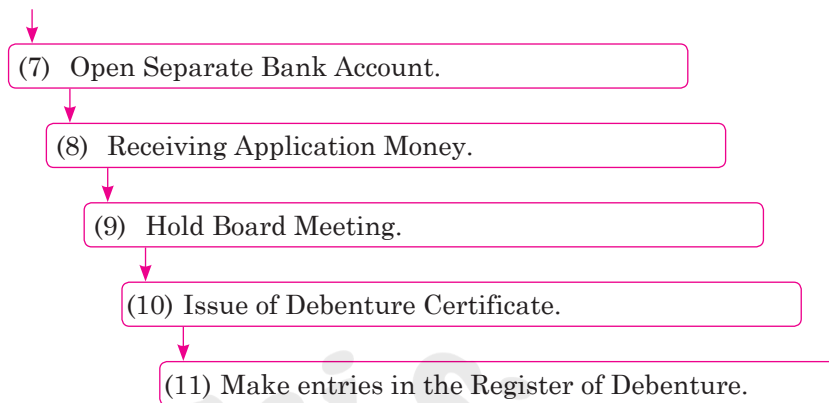
SEBI REGULATIONS FOR ISSUE OF DEBENTURES

- (1) **Minimum Subscription** • 75 % of base issue size.
- (2) **Retention of Over Subscription** • 100 % of base issue size or
• Lower unit as specified in offer letter.
- (3) **Underwriting** • Appointment of underwriters must be mentioned in offer letter
- (4) **Credit Rating** • CRISIL, CARE
• Should be mentioned in offer letter of prospectus

5

PROCEDURE FOR ISSUE OF DEBENTURES





6

DEBENTURE TRUSTEES

(Reduced Syllabus for 2020-21)

**Focus on the following questions: Chatur's Important Questions**

- Q.1. Explain the provisions of Companies Act, 2013 for issue of debentures.
- Q.2. Explain the procedure for issue of debentures.
- Q.3. Explain the provisions of Companies Rule 2014, (Rule 18) for issue of debentures.

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MEMORY CHART

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(1) Banking Company

COMPANIES ACCEPTING DEPOSITS

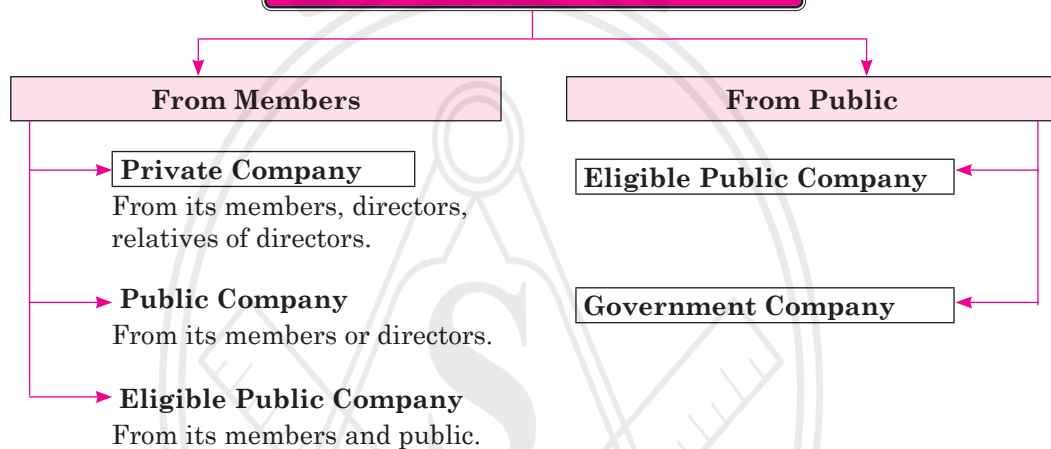
(2) Non-Banking Finance Company (NBFC)

(4) Company specified by Central Government

(3) Housing Finance Company

2

ACCEPTANCE OF DEPOSITS



3

TERMS AND CONDITIONS FOR ACCEPTANCE OF DEPOSITS

- (1) Amount of deposit
- (2) Tenure of deposit (6 months to 36 months)
- (3) No demand deposit
- (4) Secured or Unsecured deposit
- (5) Application form
- (6) Joint names
- (7) Nomination
- (8) Circular or Advertisement
- (9) Appointment of Deposit Trustee
- (10) Create charge on assets
- (11) Deposit Insurance
- (12) Obtain credit rating
- (13) Open Deposit Repayment Reserve Account
- (14) Deposit Receipt
- (15) Register of deposit
- (16) Return of deposit
- (17) Interest
- (18) Right to alter terms and conditions
- (19) Disclosure in financial statements
- (20) Punishment

4

PROCEDURE FOR ACCEPTING DEPOSITS FROM PUBLIC

(Reduced Syllabus for 2020-21)

5

PROCEDURE FOR ACCEPTING DEPOSITS FROM MEMBERS

(Reduced Syllabus for 2020-21)

6

AMOUNT OF DEPOSIT TO BE COLLECTED BY DIFFERENT COMPANIES

Type of Company		Collected from	% of paid-up share capital and free reserve
(i)	Private company	Members and Directors	Upto 100 %
(ii)	Public Company (other than eligible company)	Members	Upto 25 %
(iii)	Eligible Public Company	Members and Public	Upto 10 % Upto 25 %
(iv)	Government Company	Public	Upto 35 %

7

COMPANIES ACCEPTING DEPOSITS MUST COMPLY WITH

- Sections 73 to 76 of Companies Act, 2013

- Companies Rules, 2014

- RBI Directives



Focus on the following questions: Chatur's Important Questions

Q.1. Explain the terms and conditions for accepting deposits.



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MEMORY CHART

1



2

CIRCUMSTANCES UNDER WHICH A SECRETARY HAS TO ENTER INTO CORRESPONDENCE WITH MEMBERS

- (1) Allotment letter
- (2) Regret letter
- (3) Issue of share certificate
- (4) Issue of bonus shares
- (5) Execution of right issue
- (6) Letter of payment of dividend.
- (7) Dividend mandate
- (8) Approval of transfer of shares
- (9) Refusal of transfer of shares
- (10) Notice and agenda of general meeting
- (11) Notice of loss of share certificate
- (12) Reply to certain queries raised by the members
- (13) Letter to the legal representative regarding transmission of shares



Focus on the following questions: Chatur's Important Questions

Q.1. Write a letter to the shareholder regarding issue of share certificate.

Q.2. Write a letter to the member regarding issue of bonus share.

[**Note:** Focus on the presentation of the letter.]

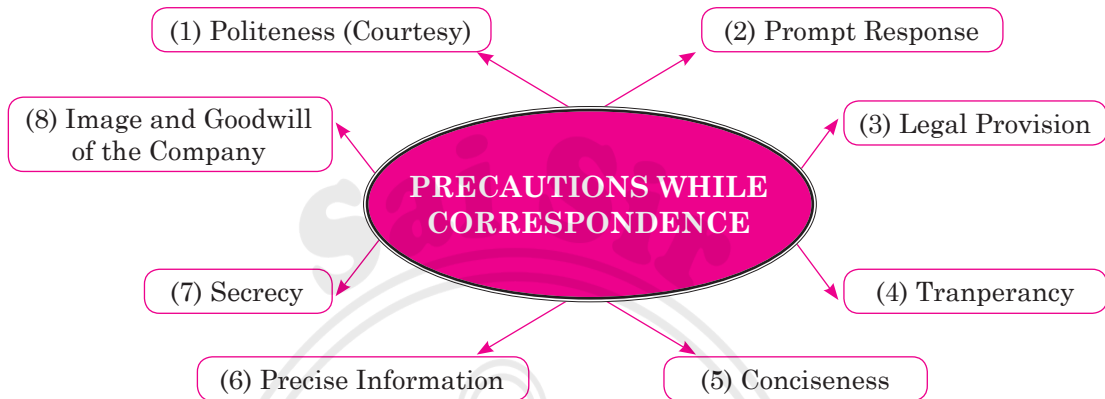


CORRESPONDENCE WITH DEBENTUREHOLDERS

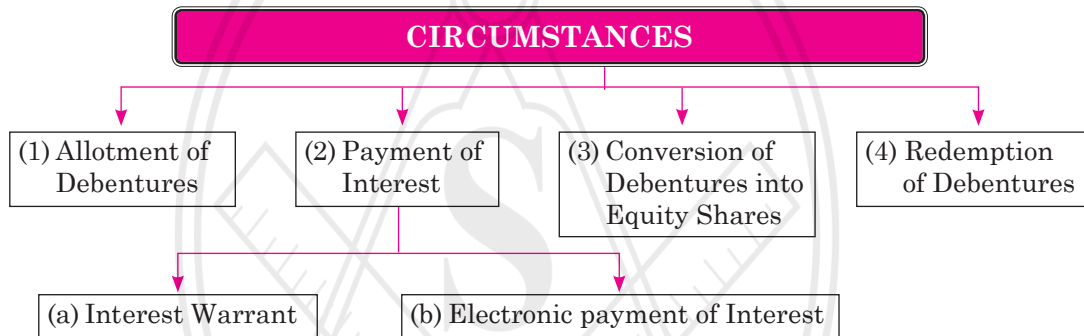


MEMORY CHART

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Focus on the following questions: Chatur's Important Questions

Q.1. Draft a letter of allotment of debenture.

Q.2. Write a letter to debentureholder informing him about conversion of debentures into equity shares.

[**Note:** Focus on the format of the letter.]



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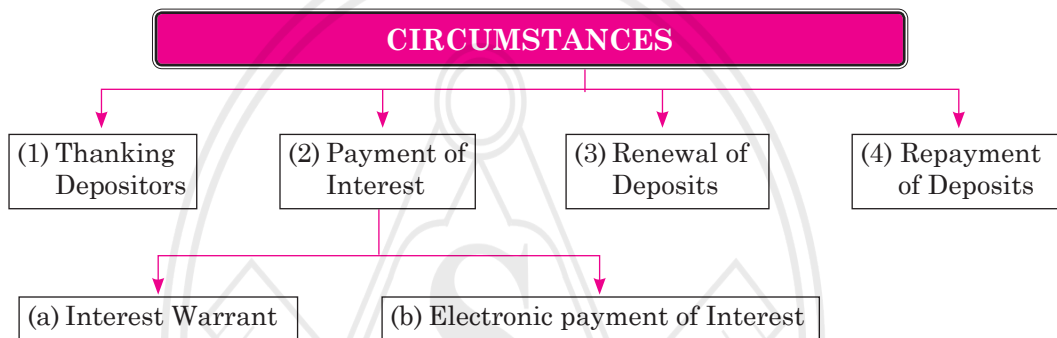


MEMORY CHART

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2



Focus on the following questions: Chatur's Important Questions

- Q.1. Draft a letter of thanks to the depositor of a company.
- Q.2. Draft a letter to depositor informing him about the payment of interest.

[Note: Focus on the format of the letter.]



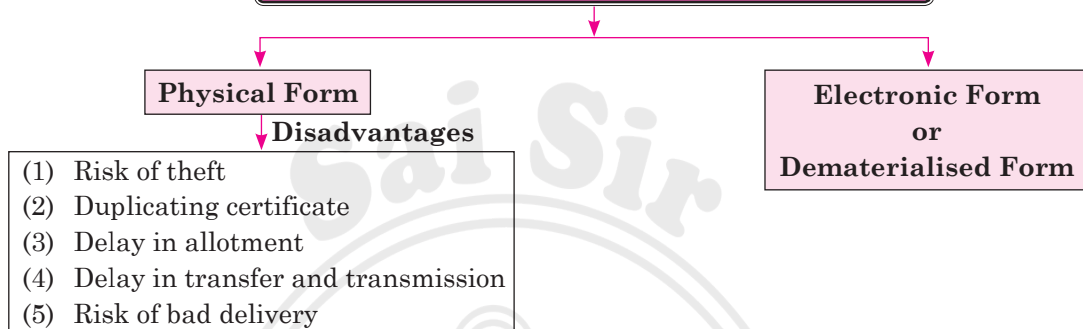
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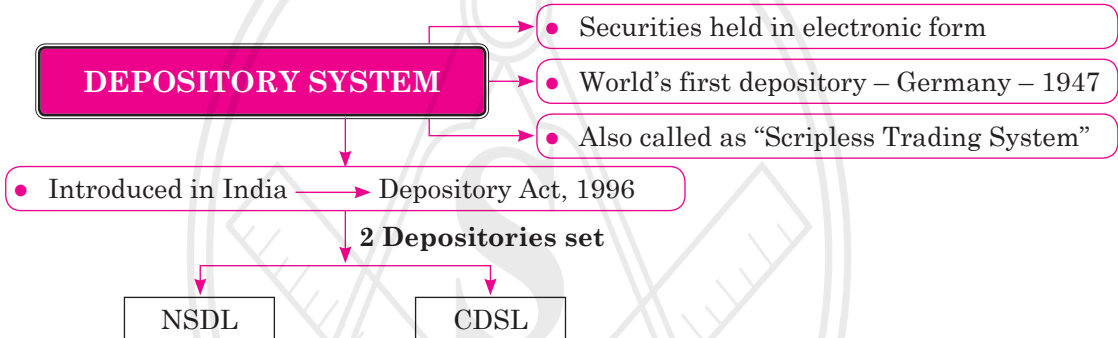
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MODES OF HOLDING SECURITIES



2

DEPOSITORY SYSTEM



3

(1) Eliminates huge paper work

(2) Eliminates storage and handling of certificates

IMPORTANCE OF DEPOSITORY SYSTEM

(3) Reduces cost and efforts involved in handling certificate

4

ADVANTAGES OF DEPOSITORY SYSTEM

(A) To the Investors

- Elimination of risk
- Provides safety
- Easy transfer of shares
- Updates and intimation
- Security against loan
- No concept of 'lots'
- Provides nomination facility
- Automatic credit

(B) To the Companies

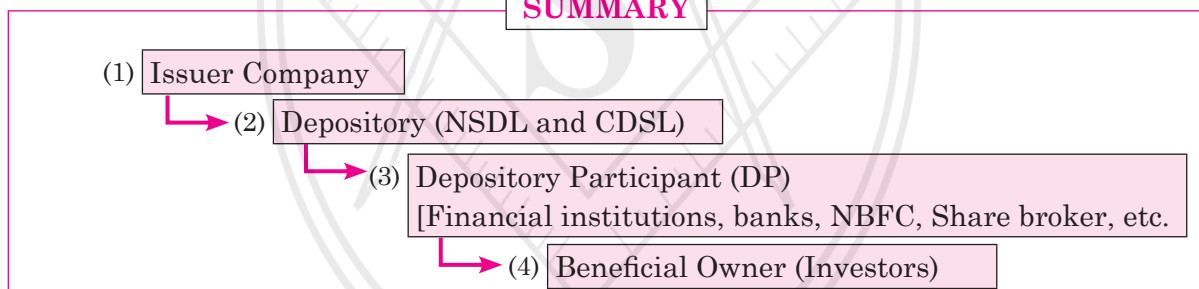
- Up-to-date information
- Reduction in costs and efforts
- Better investor - Company Relationships
- International investment

5

CONSTITUENTS OF DEPOSITORY SYSTEM

(A) The Depository	<ul style="list-style-type: none"> (i) It is an organization like Central Bank holding securities in electronic form. (ii) Provides services related to transactions of securities. (iii) Responsible for safe-keeping of securities. (iv) Acts as a link between the company and the investors. (v) NSDL and CDSL are 2 depositories in India.
(B) Depository Participant (DP)	<ul style="list-style-type: none"> (i) It acts as an agent of depository. (ii) It is registered under the SEBI Act. (iii) Acts as a link between depository and investor. (iv) It deals with customers directly. (v) It functions like a securities bank. (vi) It provides demat facilities. (vii) It handles instant transfers of payouts like dividend, interest, etc. (viii) Examples of D.P. : Financial institutions, Banks, Approved foreign banks, Stock brokers, NBFC, Registrar to an issue or Share transfer agents. (ix) It maintains account of securities of each investor. (x) It has unique identification number.
(C) The Beneficial Owner	<ul style="list-style-type: none"> (i) He is the investor of securities. (ii) He is a client of depository and DP. (iii) He is required to open a demat account with DP against certain charges. (iv) He is provided with unique account number.
(D) Issuer Company	<ul style="list-style-type: none"> (i) It is a company issuing securities. (ii) It must register with the depository.

SUMMARY



6

TERMS RELATED TO DEPOSITORY SYSTEM

- (a) **Dematerialization** • It is a process of converting shares from physical form to electronic form.
- (b) **Rematerialization** • It is a process of converting shares from electronic form to physical form.
- (c) **Fungibility** • It means the state of being interchangeable.
E.g. Land is not fungible as each unit of land has unique quality. **Currency note is fungible** as there is no difference between two currency notes of the same denomination. **Securities** in demat form are also **fungible**, i.e. no distinctive numbers, no certificate numbers and no folio numbers.
- (d) **International Securities Identification Number (ISIN)** • It is an unique code identifying specific securities.
 • It is issued by NNA (National Numbering Agency) of concerned country.
 • It is globally accepted numbering system.
 • In India, ISIN is assigned by **SEBI** to **NSDL**.
 • For **Government securities**, ISIN is allotted by **RBI**.
 • ISIN consists of **12** digit alpha-numeric code which is divided in **3** parts.

7

FUNCTIONING OF DEPOSITORY SYSTEM

(Reduced Syllabus for 2020 - 21)

8

DEPOSITORIES IN INDIA

(A) NSDL : National Security Depository Limited

- (a) Largest depository in India.
- (b) **Established:** November, 1996
- (c) **Promoted by:** IDBI, UTI and NSE
- (d) **Headquarters:** Mumbai
- (e) **Registered** under Companies Act.
- (f) **Services provided to:** Investors, Stock exchanges, Banks, Issuers, Clearing members, etc.

(B) CSDL : Central Depository Services Limited

- (a) **Started operating:** February, 1999
- (b) **Promoted by:** BSE jointly with several banks.
- (c) **Headquarters:** Mumbai
- (d) Wide DP network through out the country
- (e) Provides demat services across the country.



Focus on the following questions: Chatur's Important Questions

- Q.1. Distinguish between dematerialization and rematerialization.
- Q.2. What do you mean by depository system. Explain its advantages.
- Q.3. Explain the various constituents of depository system.



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MEMORY CHART

1

DIVIDEND

Meaning

- Derived from Latin word 'Dividendum' means 'that which is to be divided'.
- It is that part of profit which is distributed amongst its shareholders.

Definition

- **Institute of Chartered Accountants of India:** "A distribution to shareholders out of profits or reserves available for this purpose".
- **Supreme Court:** "In case of going concern, it means portion of profits of company, which is allotted to the holders of shares in a company."

2

FEATURES OF DIVIDEND

- (1) Portion of profits paid to shareholders.
- (2) Payable out of profits of the company.
- (3) Unconditional payment made by the company.
- (4) Cannot be declared out of capital.
- (5) Declared on recommendation of Board of Directors.
- (6) Approved by shareholders in Annual General Meeting.
- (7) Dividend once declared and approved cannot be revoked.
- (8) Include interim dividend.
- (9) Paid in cash and not in kind.
- (10) Paid on paid-up value of shares.
- (11) Cannot be paid on calls paid in advance.

3

LEGAL PROVISION AS SOURCES OF DIVIDEND

Dividend may be paid

- | | | |
|--|--|---|
| <p>(a) Out of current profit after providing for depreciation and transfer to reserve.</p> | <p>(b) Out of previous years profit after providing for depreciation.</p> | <p>(c) Out of money provided by Central or State government to pay dividend.</p> |
| <p>(d) Out of capital profits:</p> <ul style="list-style-type: none"> • if capital profit realised in cash • if permitted by Articles of Association. | | <p>(e) Out of free reserves of the company</p> |

4

LEGAL PROVISIONS FOR DECLARATION OF DIVIDEND

- | | | | |
|-------------------|----------------------------|-----------------------|---------------------------------|
| (1) Board Meeting | (2) Shareholder's Approval | (3) Separate Bank A/c | (4) Prohibition to pay dividend |
|-------------------|----------------------------|-----------------------|---------------------------------|

5

LEGAL PROVISIONS FOR PAYMENT OF DIVIDEND

- (1) Paid in cash and not in kind.
- (2) May be paid by cheque or warrant or by any electronic mode.
- (3) Dividend warrant to be sent to first named joint shareholder to his/her registered address.
- (4) Must be paid within **30** days from the date of its declaration.
- (5) Payable to registered shareholder only or beneficial owner in case of demat form.
- (6) **Default in payment of dividend:**
 - (a) Punishment to every director of company
 - (b) Liable to pay simple interest @ 12% p.a. till default continues.

6

UNPAID AND UNCLAIMED DIVIDEND

Meaning

- Dividend declared but not been paid by company or claimed by shareholder within 30 days of its declaration is termed as unpaid and unclaimed dividend.

(a) Unpaid unclaimed amount of dividend to be transferred to 'Unpaid Dividend Account' in a **Scheduled Bank** within **7 days** of the end of **30 days** (i.e. 37 days) after declaration of dividend.

UNPAID DIVIDEND A/C

(b) Within **90 days** of transfer to 'Unpaid Dividend A/c' it is to be put on website (approved) stating names, last known address and unpaid amount.

(c) After **7 years** unpaid dividend amount is transferred from Unpaid Dividend Account to Investors Education and Protection Fund (IEPF).

7

MODES OF PAYMENT OF DIVIDEND

(Reduced Syllabus for 2020-21)

8

INTERIM DIVIDEND

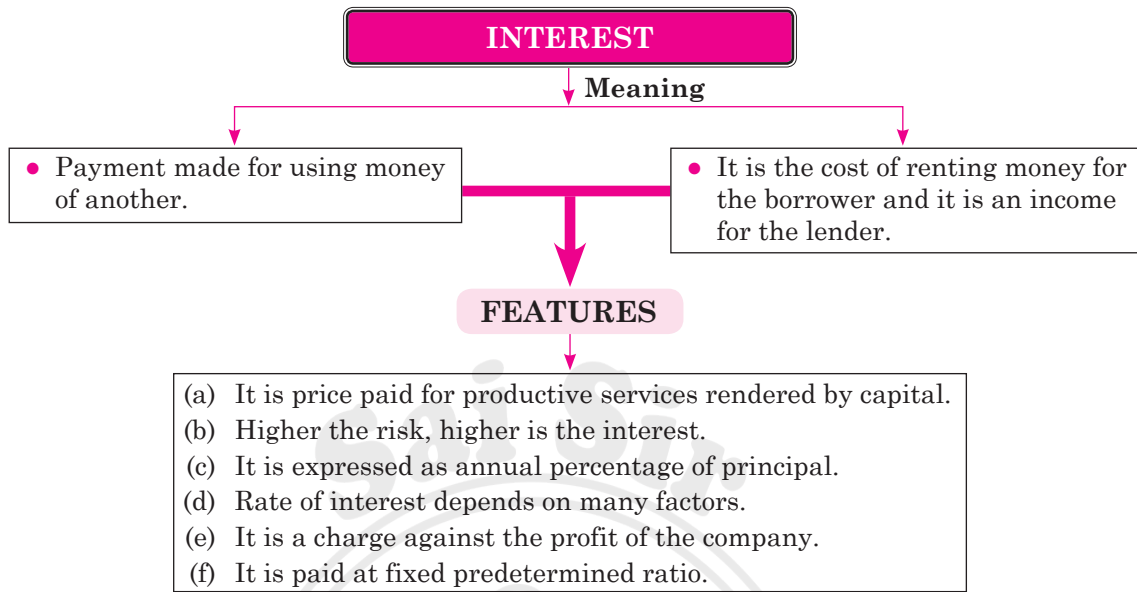
Meaning

- Dividend declared by Board of Directors between the Annual General Meeting is called Interim Dividend.
- Auditors opinion to be taken before declaring interim dividend.

Features

- (1) It is declared by Board of Directors.
 - (2) It is on account payment of whole dividend.
 - (3) Full year depreciation to be provided before declaring interim dividend.
 - (4) It cannot be paid out of any reserves.
 - (5) Provision should be there in Article of Association.
 - (6) Resolution of Board required.
 - (7) Amount of interim dividend to be credited in separate bank account in a **scheduled** bank withing 5 days of its declaration.
- [**Note:** Procedure for unclaimed/unpaid interim dividend is same as discussed above.]

9



Focus on the following questions: Chatur's Important Questions

- Q.1. Distinguish between: (1) Interim dividend and Final dividend
(2) Dividend and Interest
- Q.2. Define dividend. Explain its features.
- Q.3. Discuss the legal provisions for declaration of dividend.

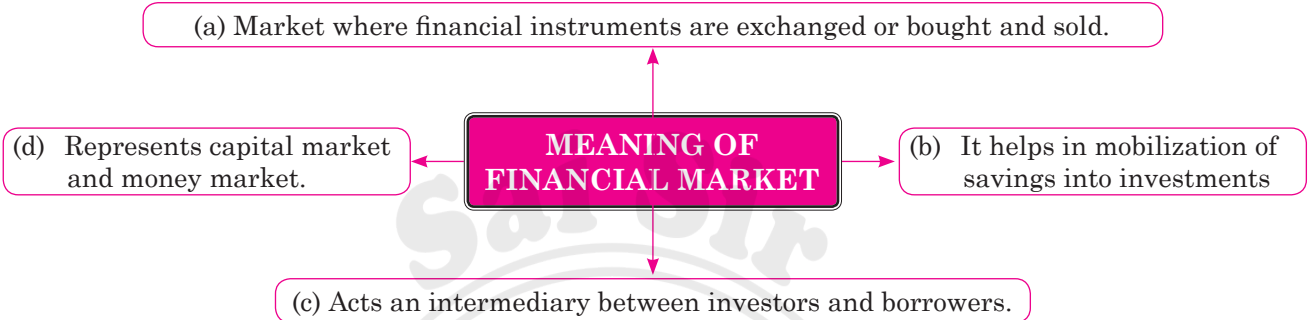


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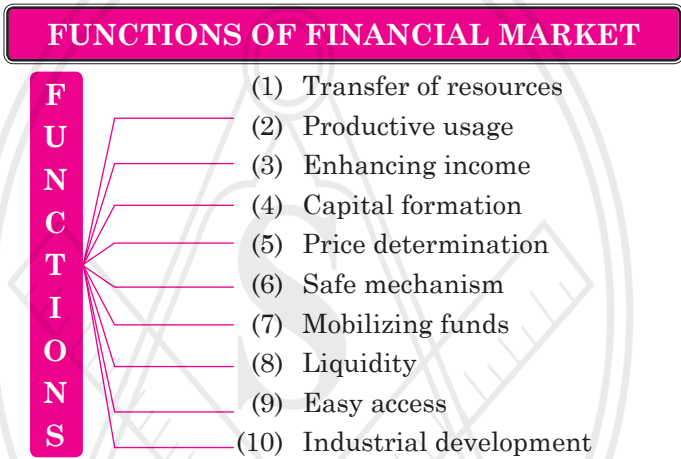


MEMORY CHART

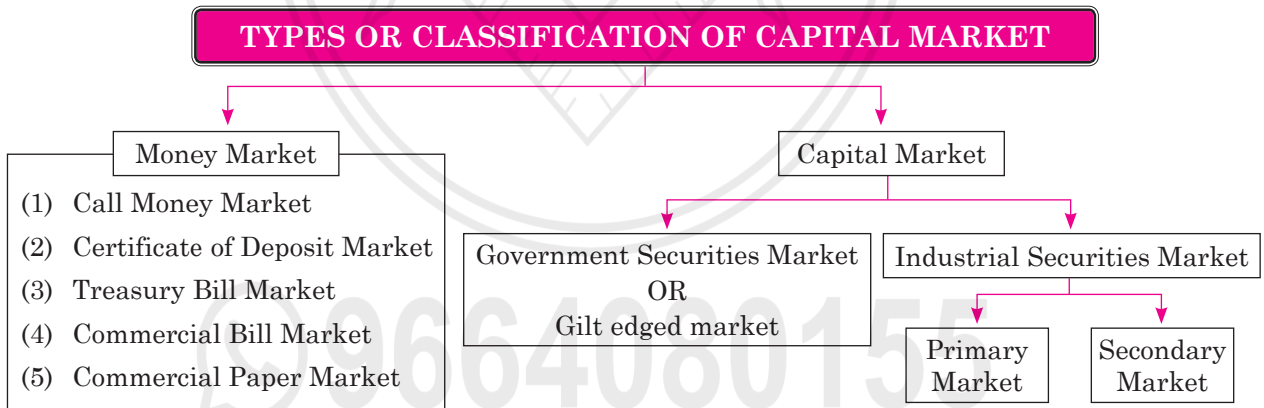
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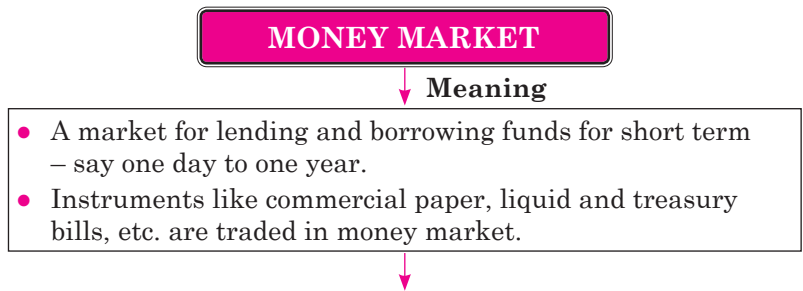
2



3



4



5



FEATURES OF MONEY MARKET

- (a) Fund borrowed or lent for short - term. Maximum period – 1 year.
- (b) It is a wholesale market for short term debt.
- (c) Trading takes place over telephone, followed by written communications through e - mails.
- (d) Participants → RBI, Commercial Banks, Mutual funds, Financial institutions, Primary dealers and Corporates.
- (e) It has no geographical area barrier.
- (f) Impersonal relationship between participants and money market.
- (g) Financial instruments can be converted easily into cash.
- (h) Low returns on investments.
- (i) **Major segments:**
 - Call money market
 - Certificate of deposits market
 - Treasury bill market
 - Commercial bill market
 - Commercial papers market



PARTICIPANTS AND INSTRUMENTS IN MONEY MARKET

(Reduced Syllabus for 2020 -21)

6

CAPITAL MARKET

Meaning ↓

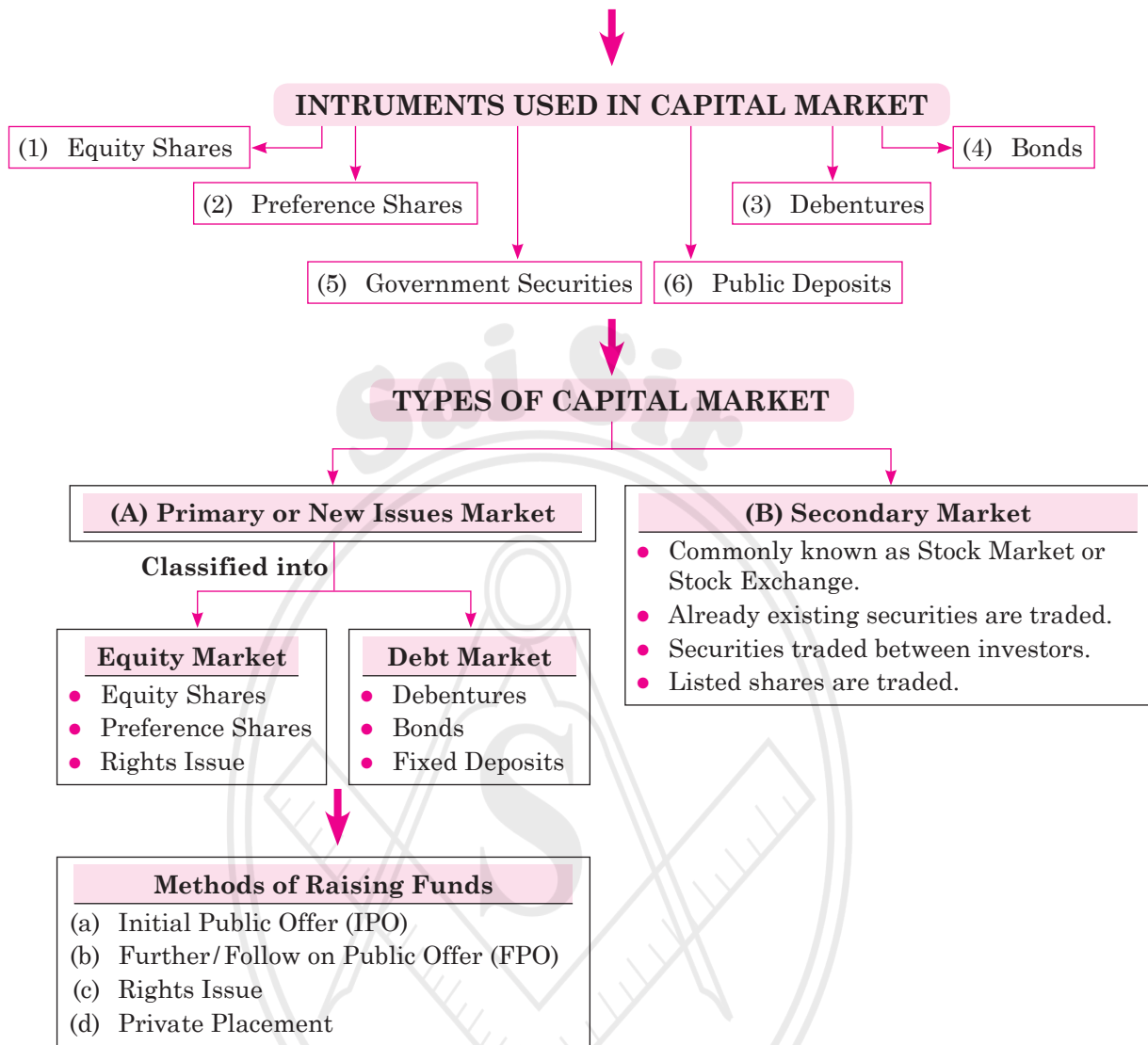
- (a) A market for borrowing and lending long term capital for business enterprise.
- (b) It is a core of a country's financial system.
- (c) Financial assets dealt in capital market have long and indefinite maturity period.
- (d) Comprises of debt, equity, stock exchanges.



FEATURES OF CAPITAL MARKET

- (a) Link between investors and borrowers.
- (b) Deals in medium and long term investment.
- (c) Presence of intermediaries.
- (d) Promotes capital formation.
- (e) Regulated by government rules, regulations and policies.
- (f) Deals in marketable and non - marketable securities.
- (g) Variety of investors.
- (h) Risk.





Focus on the following questions: Chatur's Important Questions

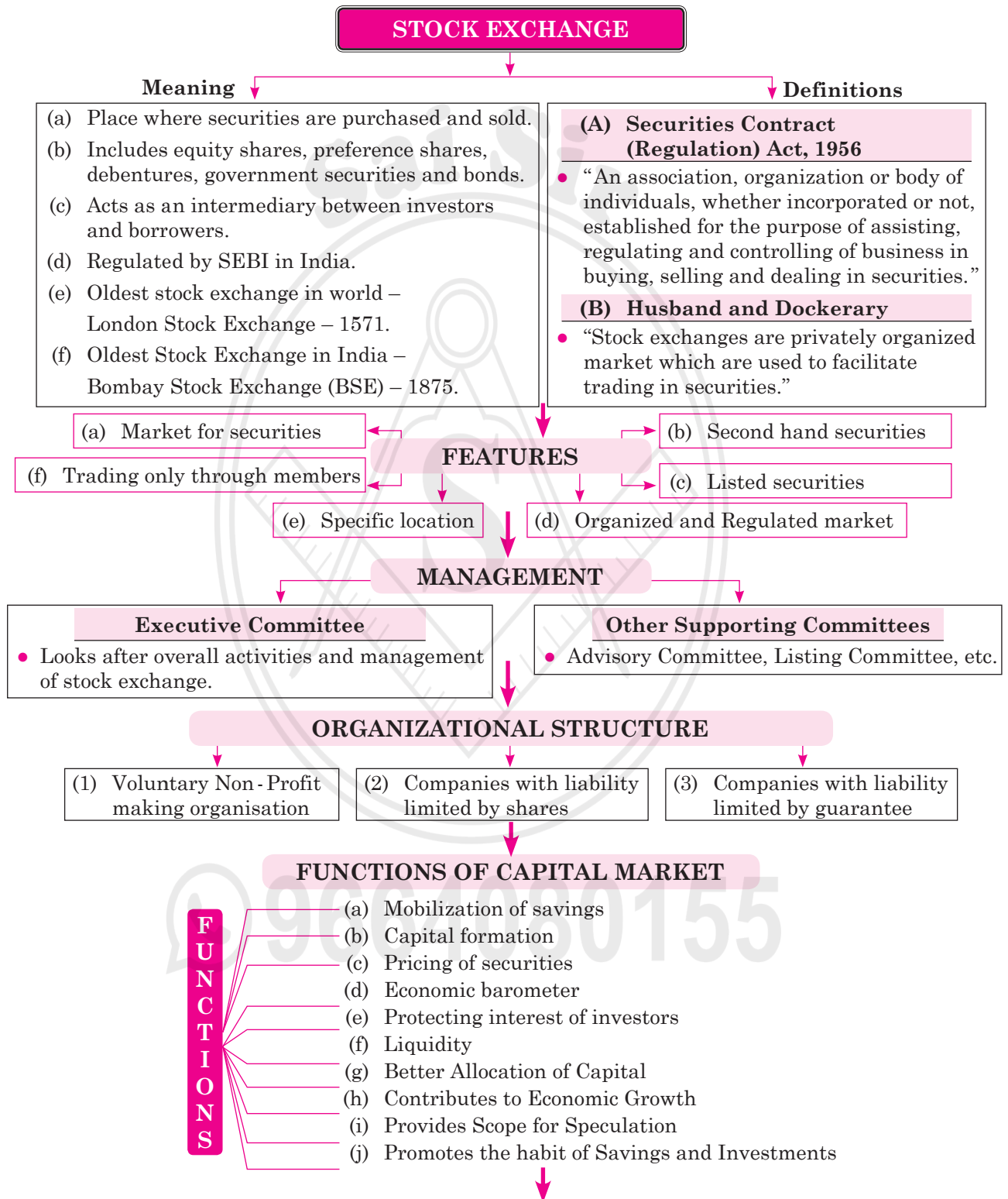
- Q.1. Distinguish between primary market and secondary market.
- Q.2. Distinguish between money market and capital market.
- Q.3. What are financial market? Explain the functions of financial market.
- Q.4. What is capital market? Explain the features of capital market.
- Q.5. What is money market? Discuss the features of money market.





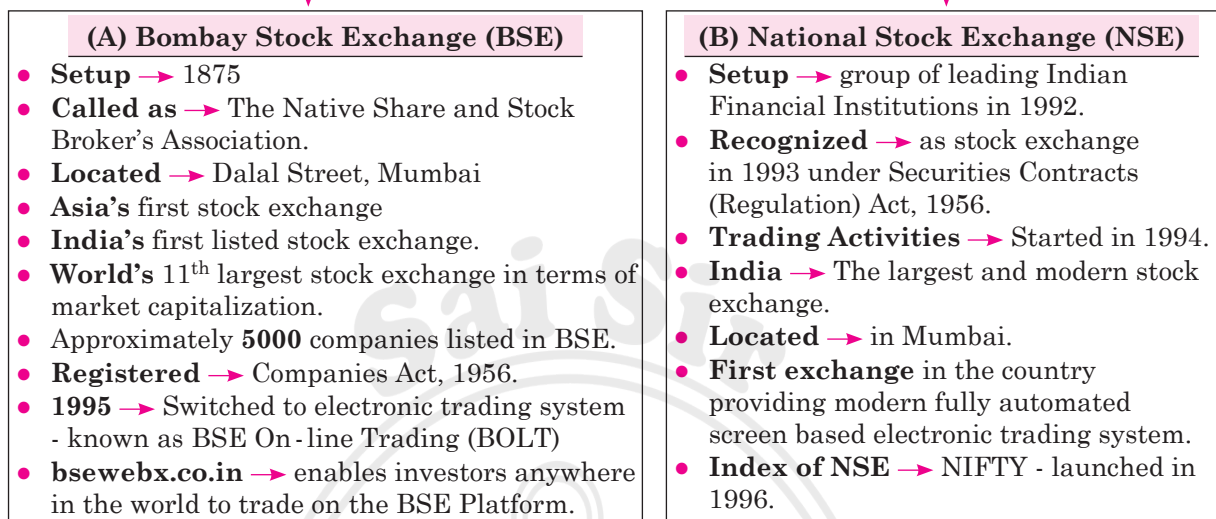
MEMORY CHART

1



2

MAJOR STOCK EXCHANGES IN INDIA

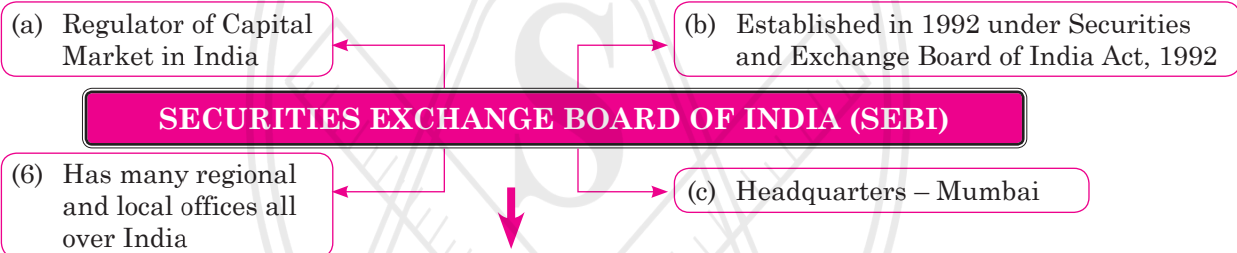


3

IMPORTANT TERMS RELATED TO STOCK EXCHANGE

(Reduced Syllabus for 2020-21)

4



FUNCTIONS OF SEBI

- (1) To protect the interest of investors in securities market.
- (2) To promote development of securities market.
- (3) To regulate business in stock exchanges and other securities market.
- (4) To register and regulate the working of various intermediaries associated with securities market.
- (5) To register and regulate the working of Depositories, Depository Participants, Credit Rating Agencies, etc.
- (6) To register and regulate the working of venture capital funds and collective investment schemes.
- (7) To promote and regulate self regulatory organizations.
- (8) To prohibit fraudulent and unfair trade practices relating to securities market.
- (9) To promote investors education and training of intermediaries of securities market.
- (10) To prohibit insider trading in securities.



Focus on the following questions: Chatur's Important Questions

- Q.1. Define stock exchange. What are the features of stock exchange?
- Q.2. Explain the functions of stock exchange in detail.
- Q.3. Write a note on Bombay Stock Exchange.

