

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Securities Law
Semester-II (Batch: 2015-16)

LL.M. End Semester Examination: May-2016

Date: 11th May, 2016

Duration: 3 hours

Max. Marks: 70

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

Part-A**Marks**

Attempt **any three** of the following

- Q.1 The mutual fund industry in India has seen its share of success and failure. Its asset base exceeds Rs 11.86 lakh crore. This has been a result of collaboration of all industry stakeholders like the distributor, the asset management company and the regulator who has shaped the way forward for the industry. However, if one goes by the number of investors and increase in wallet share, participation from metros remains low. There is also a concern of having investors stay invested in mutual fund and perceive the long-term benefits of the product. Investors need to realise that mutual fund is a way to meet their financial goals and not just a means of short-term financial gain. Given the current scenario of market volatility and uncertainty, the investor perceives investments in the capital market to be risky and unsafe and hesitates to channelise his savings into mutual fund products. Fund managers need to instil that confidence in the minds of investors and encourage them to stay invested in funds to derive the desired benefits. Discuss the efforts made by SEBI to regulate Mutual Fund industry and protect interests of investors and increase their participation. (10)
- Q.2 “SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003 (FUTP) is a well drafted legislative effort on the part of SEBI aimed at securing the securities markets from manipulations thereof. FUTP has succeeded in achieving its intended objectives.” (10)
- How far do you agree with the above-mentioned statement? Give reasons for your opinion citing relevant provisions and judicial decisions.
- Q.3 Collective Investment Schemes (CIS) have been used for duping investors for the last three decades. Government of India has taken serious note of such practices. Investor protection has been the main objective behind the establishment of SEBI. How far in your opinion SEBI has been successful in effectively regulating CIS. Discuss in the light of relevant provisions and judgments. (10)
- Q.4 “The term ‘securities’ as defined under the Securities Contracts (Regulation) Act 1956 is under constant state of evolution. It has to correspond to the ever changing dynamics of securities market.” Analyse the above-mentioned statement. (10)

Part-BAttempt **any two** of the following:

- Q.5 Explain insider trading with the help of leading case laws. Critically examine how SEBI's 2015 insider trading regulation is different from 1992 regulation. (10)
- Q.6 (a) Explain option contracts. Discuss about the validity and enforceability of options in India by analyzing SEBI's views, case laws and relevant provisions of the Securities Contracts (Regulation) Act, 1956. (5+5=10)
- (b) Explain in detail about corporatisation and demutualisation of stock exchanges in India. Substantiate your answer with the help of relevant provisions, committee recommendations and SEBI regulations.
- Q.7 (a) Powers of SEBI over recognized the stock exchanges in India. Explain with the help of relevant provisions and SEBI's Exit Policy for De-recognized/ Non-operational Stock Exchanges. (5+5=10)
- (b) Explain Delisting of securities in detail. Substantiate your answer with the help of relevant provisions, SEBI's Regulations and Guidelines.

Part-C

- Q.8 "SEBI plays the role of regulator and watchdog of the capital market. However, it encroaches it's jurisdiction to the unlisted companies also". Do you agree with this? (10)
- Elaborate your answer explaining the jurisdiction, power, and functions of SEBI referring to the relevant legal provisions, decided cases.
- Q.9 Write explanatory note on **any two** of the followings: (2x5=10)
- (a) Depository system in India
- (b) SEBI & Public Offer
- (c) SEBI Takeover Code (2011) – An overview
