

**B.C.M.SCHOOL, BASANT AVENUE, DUGRI ROAD, LUDHIANA**

**X IFM Ans.Key of August Assignment**

Ans.1 An initial public offer is the selling of security to the public in the primary market. It is when an unlisted company makes either a fresh issue of security or an offer for sale of its existing security or both for the first time to the public.

Ans 2-NEAT -NATIONAL EXCHANGE FOR AUTOMATED TRADING

Ans.3- 3-10

Ans.4-Premium

Ans 5-In the primary market security guard offer to public for subscription for the purpose of raising capital or fund .Secondary market is an equity trading venue in which already existing /pre issued securities are traded among investors.

Primary market deals with IPO and FPO.Secondary market could be either option or dealer market.

Ans 6-Ensure that the intermediary has a valid SEBI registration certificate

\*Enter into an agreement with your bro /sub-broker setting out terms and conditions clearly

\*Ensure that you give all your details in the 'know your client' form.

\*Ensure that you read carefully and understand the contents of the risk disclosure document and then acknowledge it .

\*Insist for a contract note issued by your broker only, for trades done each day.

\* Ensure that you receive the contract note from your broker within 24 hours of the transaction.

Ans 7-Growth Stocks:

Companies whose attention for growth in sales and earnings are excellent are growing faster than other companies in the market are called the growth stocks.

Value Stocks:

Talk that have been overlooked by other invested and which may have a hidden value.

These companies may have been beaten down in price because of some bad event.

Ans 8-The registrars finalises the list of eligible candidates for allotment of shares after deleting the invalid applications.

\* He ensures that the corporate action for crediting of shares to the demat accounts of the applicants is done.

\* He also ensures that the dispatch of refund orders to those applicable are sent.

\* The Lead Manager coordinates with the registrar to ensure follow up.

Ans 9-There are three main segments in the debt market in India,viz.,

(1)Government securities (2) Public Sector Units bonds and (3) Corporate securities

Government security is comprises the centre ,state and state sponsored securities. In the recent past local bodies such as municipalities have also begin to tap the debt market for funds. The PSU bonds are tax free while most bonds including government securities are not tax free. Corporate bond market comprise of commercial paper and bonds.

Ans 10-Zero Coupon bond -Bond issued at a discount and repaid at a face value. No periodic interest is paid .The difference between the issue price and redemption price represents the return to the holder. The buyer of these bonds receives only one payment at the maturity of the bond.

Cumulative Preference Shares- A type of preference shares on which dividend accumulate if remained unpaid all pending amount of a preference dividend have to be paid out before paying dividend on equity shares.

Bid price -The bid is the buyers price it is this price that you need to know when you have to sell a stock .Bid is the rate at which there is a ready buyer for the stock ,which you intend to sell .The best buy order is the order with the highest price.

ADS-an American depository share is a US dollar dominated form of equity ownership in a non US company. It represents the foreign shares of the company held on deposit by a custodian bank in the company's home country.