

MODEL TEST PAPER FOR BCSM

Q. Id	Question	Option 1	Option 2	Option 3	Option 4
1	Indian Securities market is one among top_____ securities markets of the world.	Four	Eight	Three	Six
2	The Bombay Stock Exchange was established in _____	1875	1873	1874	1872
3	Index Futures trading commenced at BSE in the year	2000	1997	2001	2004
4	Under Section 31 of The Companies Act, 1956, any company could be of the form except	Limited Liability Firm	Public Companies	Private Companies	Trust
5	The Bombay Stock Exchange Ltd. (BSE) in 1986 came out with a stock index	BANKEX	BSE-100	BSE-200	SENSEX
6	Who cannot be a member?	Everyone can become a member	A Partnership firm	A Corporate entity	An Individual
7	Insider trading if reported can be investigated by	SEBI	FMC	MCA	RBI
8	How membership of BSE can be obtained: (i) By new membership (ii) By nomination	Only (i)	Only (ii)	Both of (i) and (ii)	Either (i) or (ii)
9	An option that has intrinsic value is	over-the-money	in-the-money	at-the-money	out-of-the-money
10	The base year of SENSEX is _____ and the base value is _____	1988-89 and 100	1978-79 and 100	1978-79 and 1000	1981-82 and 100
11	Index calculation frequency for BSE Sensex is	Thirty Minutes lagged	One hour lagged	Real Time	Two hour lagged

12	A person who combines derivatives with a business risk is a _____	hedger	speculator	spreader	stock broker
13	The genesis year for BSE On-Line Trading System was	1993	1995	1996	1994
14	The Bombay Stock Exchange was established as a _____	Limited Liability Firm	A partnership firm	A company	Voluntary non-profit organization
15	As of December 31, 2009 the Bombay Stock Exchange was among the top_____ of global exchanges in terms of market capitalization of its listed companies	Six	Eight	Ten	Nine
16	Currently the tick size in the scrip listed on the exchange is	25 paise	10 paise	15 paise	5 paise
17	The 'Z' group was introduced by BSE in	Jan-99	Jun-00	Jan-00	Jul-99
18	Present and prospective shareholders are mainly concerned with a firm's	risk and return	profitability and return	leverage	profitability
19	The Securities and Exchange Board of India was established in _____	1990	1988	1989	1992
20	A security giving you the right to sell is a	swaption	call option	put option	short futures contract
21	Which is not a part of Securities market	Primary market, Real Estate markets & Secondary Markets	Primary market & Secondary market	Commodity Markets & Real Estate markets	Real Estate markets & Primary market
22	Majority of the powers granted under SCRA are exercisable by_____	DEA	SEBI	MCA	RBI

23	The Companies Act, 1956 does not deal with	Commodity markets	Issues of Securities	Allotment and transfer of securities	Money markets
24	Arbitration at BSE is a	Neither a judicial nor a quasi judicial mechanism	Quasi Judicial mechanism	regulatory mechanism	Judicial mechanism
25	All trading members are required to keep a Base Minimum Capital with the stock exchange is _____	Rs. 5 Lakh	Rs. 15 Lakh	Rs. 20 Lakh	Rs. 10 Lakh
26	Ratios provide a _____ measure of a company's performance and condition	absolute	definitive	gross	relative
27	The actual number of scrips listed in BSE PSU Index is	All PSU stocks in BSE-100 index	All PSU stocks listed on BSE	All PSU stocks in BSE-500 index	All PSU stocks in BSE-200 index
28	Which of the following statements is most correct?	The SML relates required returns to firms' sectoral risk	Risk refers to the chance that some unfavorable event will occur, and a probability distribution is completely described by a listing of the likelihood of unfavorable events	Portfolio diversification reduces the variability of returns on an individual stock	The SML relates required returns to firms' market risk
29	The _____ measures the activity, or liquidity, of a firm's inventory	average collection period	day sales turnover	quick ratio	inventory turnover

30	In India, BSE pioneered the concept of free-float by launching _____ in July 2001	BSE SENSEX	BSE TECK	BSE PSU	BSE FMCG
31	SENSEX became the _____ in India to be based on the globally accepted Free-float Methodology	Third index	First index	Second index	Fourth index
32	The market value of which assets can be found by determining future cash flows and then discounting them back to the present	Intangible assets	Real Assets	Financial Assets	Mutual Funds
33	Time value of money is based on the belief that a rupee that will be received at some future date is worth _____ a rupee today	equal to	double	less	five times
34	Who are the participants in the derivatives market?	Arbitrageurs	Hedgers	Speculators	All given options are correct
35	The _____ is useful in evaluating credit and collection policies	average collection period	average sales	current ratio	average payment period
36	Variations in accounting methods among firms _____ financial comparisons between firms	can invalidate	can degrade	can validate	can improve
37	The first market to trade financial futures was the	BSE	CME	CBOE	CBOT
38	The processing fee for conversion of membership is Rs. _____	1.50 Lakhs	1.00 Lakhs	2.00 Lakhs	Zero
39	Amalgamation / merger (A/M) of two corporate members of the exchange or A&M of a corporate member with non-member company or demerger is governed by	rule 257 B	rule 35 B	rule 19 B	rule 20 B

40	BSE contributed what amount towards Broker Contingency Fund?	Rs.9 Crores	Rs 10 Crores	Rs 8 Crores	Rs.9.51 Crores
41	The Value at Risk (VaR) Margin is a margin intended to cover _____ that can be encountered on 99% of the days (99% Value at Risk)	The model loss	The smallest loss	The average loss	The largest loss
42	An investor wants to keep his portfolio return similar to the return from Sensex. He can choose	A stock with beta of more than 2.0	A stock with beta of 1.0	A stock with beta less than 1.0	A stock with beta more than 1.0
43	_____ is the chance of loss or the variability of returns associated with a given asset	profitability	Return	Value	Risk
44	The Auction Pay-in and Pay-out takes place on	T+3 Day	T+1 Day	T+2 Day	T+4 Day
45	Examples of events that increase risk aversion include	All given options are correct	political uncertainty	a stock market crash	assassination of a key political leader
46	The Brokers' Capital fund fee for conversion of membership is Rs.____	2.0 Lakhs	Nil	1.00 Lakhs	2.5 Lakhs
47	BSE-500 index represents nearly _____ of the total market capitalization on BSE	93%	85%	87%	90%
48	The _____ value interest factor is the future value of Rs 1 per period compounded at i percent for n periods	Future	Present	Nominal	Continuously compounded
49	The Give-up entry is also known as	5A-7A entry	2A-3A entry	8A-9A entry	6A-7A entry
50	If the equity multiplier is 2.0, the debt ratio must be	0.25	0.5	1	0.35

Answers:

Q. Id	Answer
1	Eight
2	1875
3	2000
4	Trust
5	SENSEX
6	A Partnership firm
7	SEBI
8	Either (i) or (ii)
9	in-the-money
10	1978-79 and 100
11	Real Time
12	Hedger
13	1994
14	Voluntary non-profit organization
15	Ten
16	5 paisa
17	Jul-99
18	risk and return
19	1988
20	Put option
21	Commodity Markets & Real Estate markets
22	DEA
23	Money markets
24	Quasi Judicial mechanism
25	Rs. 10 Lakh
26	Relative
27	All PSU stocks in BSE-500 index
28	The SML relates required returns to firms' market risk
29	inventory turnover
30	BSE TECK
31	Third index
32	Financial Assets
33	Less
34	All given options are correct
35	average collection period
36	can invalidate
37	CME
38	Zero
39	rule 257 B
40	Rs.9.51 Crores
41	The largest loss
42	A stock with beta of 1.0
43	Risk
44	T+3 Day
45	All given options are correct
46	2.5 Lakhs
47	93%

48	Future
49	6A-7A entry
50	0.5