

## PRACTICE QUESTIONS

### COMPLIANCE OFFICERS (BROKERS) MODULE

- 1) Exchange Traded Interest Rate Derivates has been introduced in Indian Financial Market by \_\_\_\_\_. (2 marks)
- (a) NSDL
  - (b) RBI
  - (c) SEBI
  - (d) NSCCL
  - (e) I am not attempting the question
- 2) Details of Clients in the F&O Segment, having order value of more than Rs. 1 lakh, have to be furnished to the Exchange as per \_\_\_\_\_. (1 mark)
- (a) RBI guidelines
  - (b) SEBI guidelines
  - (c) Details are not required to be furnished
  - (d) Income Tax guidelines
  - (e) I am not attempting the question
- 3) A Trading member may appear through a legal practitioner only if the Constituent is represented through a legal practitioner in an Arbitration matter. (3 marks)
- (a) TRUE
  - (b) FALSE
  - (c) I am not attempting the question
- 4) The receiving member shall be entitled to receive all dividends from securities \_\_\_\_\_. (2 marks)
- (a) bought
  - (b) sold ex dividend
  - (c) sold
  - (d) bought cum dividend
  - (e) I am not attempting the question
- 5) Where a company is wound up at the date of the contract or between the date of the contract and the due date of delivery, the seller cannot recover the consideration from the sale of shares from the buyer. (2 marks)
- (a) TRUE
  - (b) FALSE
  - (c) I am not attempting the question

6) The prohibition on dealing, communicating or counseling on matters relating to insider trading does not apply to \_\_\_\_\_. (1 mark)

- (a) a company dealing in securities of any other company while in possession of any unpublished price sensitive information
- (b) a company dealing in securities of any other company while in possession of any published price sensitive information
- (c) a company dealing in securities of any associate of the other company while in possession of any unpublished price sensitive information
- (d) I am not attempting the question

7) Collection of upfront VaR based margin is a measure of \_\_\_\_\_. (2 marks)

- (a) VaR Management
- (b) VaR Administration
- (c) Exchange Administration
- (d) Risk Management
- (e) I am not attempting the question

8) Schedule IV of the SEBI (Stock Broker and Sub Broker) Regulation deals with \_\_\_\_\_. (1 mark)

- (a) fee payable to SEBI
- (b) compliance of listing agreement
- (c) right to appeal against suspension by SEBI
- (d) None of the above
- (e) I am not attempting the question

9) The net assets of the defaulting clearing member shall be defrayed first to the constituents of the defaulter. (2 marks)

- (a) False, except in certain circumstances.
- (b) FALSE
- (c) True, except in certain circumstances.
- (d) TRUE
- (e) I am not attempting the question

10) Verification and Upload of Client details has to be done on SEBI website every \_\_\_\_\_. (1 mark)

- (a) one week
- (b) two week
- (c) 15 days
- (d) None of the above
- (e) I am not attempting the question

11) State which of the following is false? (1 mark)

- (a) A trading member can act as a clearing member or self-clearing member after making separate applications for each activity.
- (b) A trading member can act as a clearing member without making separate applications for each activity.
- (c) A trading member can act as a clearing member after making separate applications for each activity.
- (d) A trading member can act as a self-clearing member after making separate applications for each activity.
- (e) I am not attempting the question

12) Who is a 'Trading member'? (3 marks)

- (a) A person who has delivered documents in pursuant to a contract.
- (b) A person admitted as a member by the NSCCL.
- (c) A person admitted as a member by the Exchange.
- (d) A person who has received documents in pursuant to a contract.
- (e) I am not attempting the question

13) State which of the following is true? As per SEBI (Ombudsman) Regulations, 2003, in order to be appointed as an Ombudsman \_\_\_\_\_ . (1 mark)

- (a) a person should be below forty five years of age
- (b) a person should be above fifty five years of age
- (c) a person should be below thirty five years of age
- (d) a person should be above forty five years of age
- (e) I am not attempting the question

14) Guidelines to be followed by listed companies with respect to disclosure / dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors, as per the SEBI (Prohibition of Insider Trading) Regulations, 1992 includes the following : \_\_\_\_\_. (select the odd one). (2 marks)

- (a) recording of discussion with analysts, Institutional Investors
- (b) only public information to be provided
- (c) press release to be given after every such meet
- (d) providing unpublished Price Sensitive Information
- (e) I am not attempting the question

15) What is 'Hand delivery contract'? (3 marks)

- (a) A contract for delivery of securities by hand.
- (b) A contract for the delivery and payment within such time not exceeding 14 days from date of contract.
- (c) A contract for delivery of securities and payment by hand.
- (d) A contract for the delivery and payment within such time exceeding 14 days from date of contract.
- (e) I am not attempting the question

16) All trading members are required to pay turnover fees to SEBI. (2 marks)

- (a) TRUE
- (b) FALSE
- (c) I am not attempting the question

17) Compliance of SEBI rules is required by the constituents of a trading member. (1 mark)

- (a) FALSE
- (b) TRUE
- (c) Not Applicable
- (d) Not Required
- (e) I am not attempting the question

18) As per SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 dealing in securities shall be deemed to be fraudulent if it involves \_\_\_\_\_. (Select the odd one). (1 mark)

- (a) buying, selling or otherwise dealing in securities
- (b) an intermediary predating or otherwise falsifying records such as contract notes.
- (c) encouraging the clients by an intermediary to deal in securities solely with the object of enhancing his brokerage or commission
- (d) indulging in an act which creates false or misleading appearance of trading in the securities market
- (e) I am not attempting the question

19) State which of the following is false? As per the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, minor penalties can be \_\_\_\_\_. (1 mark)

- (a) cancellation of certificate of registration
- (b) debarring a whole-time director of the intermediary from carrying out the activities as an intermediary for a period up to 6 months
- (c) warning or censure
- (d) suspension of certificate of registration for a period up to 3 months
- (e) I am not attempting the question

20) Who, u/s 13 of the SEBI Act, 1992, may make grants to the SEBI? (2 marks)

- (a) No grants are made to the SEBI
- (b) The Central Government
- (c) The Reserve Bank of India
- (d) Any one who desires
- (e) I am not attempting the question

21) 'Lock In period' can be observed for newly listed securities. (2 marks)

- (a) TRUE
- (b) FALSE
- (c) I am not attempting the question

22) Members are required to submit Network diagram for \_\_\_\_\_. (2 marks)

- (a) CTCL facility
- (b) NSCCL facility
- (c) NSEiIT facility
- (d) None of the above.
- (e) I am not attempting the question

23) As per the Securities Contract (Regulation) Rules, 1957 every Recognized Stock Exchange has to submit its annual report to \_\_\_\_\_. (2 marks)

- (a) SAT
- (b) Central Govt.
- (c) State Government
- (d) SEBI
- (e) I am not attempting the question

24) Transaction charges for WDM segment of NSE are payable \_\_\_\_\_. (2 marks)

- (a) every fortnight
- (b) every month
- (c) every year
- (d) every week
- (e) I am not attempting the question

25) Who can nominate members on the governing body of a Recognised Stock Exchange? (2 marks)

- (a) The SEBI
- (b) The State Government
- (c) The SAT
- (d) Any of the above.
- (e) I am not attempting the question

26) NSE's Certification In Financial Markets (NCFM) is a necessary qualification for becoming a trading member. (2 marks)

- (a) Yes
- (b) No
- (c) I am not attempting the question

27) Non collection of upfront margin from clients may attract \_\_\_\_\_. (2 marks)

- (a) immediate expulsion
- (b) no penalty
- (c) immediate suspension
- (d) monetary penalty
- (e) I am not attempting the question

28) The Central Government has powers to supersede the SEBI, if it is of the opinion that \_\_\_\_\_. (1 mark)

- (a) The members of the SEBI make an application to the Central Government to do so
- (b) the SEBI is unable to discharge its functions and duties imposed on it under the provisions of the SEBI Act, 1992 or it is necessary to do so in the public interest
- (c) the SEBI on its own makes an application to the Central Government to do so
- (d) the SEBI does not have the required number of members for performing the functions entrusted to it
- (e) I am not attempting the question

29) If the Chairman is unable to attend any meeting of the SEBI then \_\_\_\_\_. (1 mark)

- (a) the meeting shall be adjourned till the Chairman is able to attend the meeting
- (b) the meeting shall continue without anyone chairing it and the Chairman shall be informed about the proceedings of the same
- (c) the Chairman has to leave a message appointing some other person to be in the Chair in his absence
- (d) any other member chosen by the members present from amongst themselves shall preside at the meeting
- (e) I am not attempting the question

30) State which of the following is false, as per the SEBI (Ombudsman) Regulations, 2003? (2 marks)

- (a) Complainant includes an investors association recognized by the Board who lodges complaint with the Ombudsman.
- (b) Complainant means an investor who lodges complaint with the Ombudsman.
- (c) Complainant means any person who lodges a complaint with the Ombudsman.
- (d) I am not attempting the question

NOTE : THIS IS A SAMPLE TEST. THE ACTUAL TEST WILL CONTAIN 60 QUESTIONS.

**Answers :**

1	(c)	16	(a)
2	(b)	17	(b)
3	(a)	18	(a)
4	(d)	19	(a)
5	(b)	20	(b)
6	(b)	21	(a)
7	(d)	22	(a)
8	(a)	23	(d)
9	(b)	24	(b)
10	(d)	25	(a)
11	(b)	26	(a)
12	(c)	27	(d)
13	(d)	28	(b)
14	(d)	29	(d)
15	(b)	30	(c)