Study Notes for NISM-Series-II-A: Registrars to an Issue and Share Transfer Agents-Corporate Certification Examination

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Examination Details

Questions	Mcq - 100x1 mark
Total marks	100
Duration	2 hours
Pass mark	50
Negative marking	-

WEIGHTAGE

Chapter No.	Chapter Name	Weightage (%)
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CHAPTER 1: INTRODUCTION TO SECURITIES

Equity capital: Funds contributed by promoters or owners, representing ownership in the company.
Debt capital: Borrowings through loans or debt instruments like bonds, requiring repayment with interest.
Equity perpetuity: Equity capital remains with the company indefinitely unless liquidated.
Debt repayment: Debt has a fixed repayment period, ranging from short-term (less than one year) to long-term (up to 30 years).
Cost of equity: Returns to equity investors are variable, based on dividends and capital appreciation.
Cost of debt: Debt involves fixed periodic interest payments, predetermined at issuance.
Equity rights: Equity shareholders have ownership, voting rights, and a share in residual profits.
Debt rights: Debt investors receive periodic interest and principal repayment, often secured by company assets.
Limited liability: Equity shareholders' liability is limited to their investment, protecting personal assets.
Liquidity in equity: Equity shares are traded in secondary markets, providing liquidity to investors.
Hybrid instruments: Combine features of debt and equity, such as convertible debentures and preference shares.
Convertible debentures: Debt instruments that convert into equity shares at maturity based on predefined terms.
Preference shares: Offer fixed dividends and priority in dividend payment and capital repayment during liquidation.
Capital structure: Companies balance debt and equity to optimize funding based on cost and rights.
Primary market: Equity shares are issued through Initial Public Offerings (IPOs) to raise capital for the company.
Secondary market: Shares are traded among investors, not affecting the company's capital structure.
Dividend uncertainty: Equity dividends depend on company profits and management decisions, not guaranteed.
Interest obligation: Debt requires mandatory interest payments, regardless of company performance.
Voting rights: Equity shareholders influence company decisions through voting at general meetings.
Secured debt: Backed by company assets, giving lenders priority in case of default.
Unsecured debt: Not backed by assets, carrying higher risk for lenders.
Face value of debt: The principal amount of a debt security, repaid at maturity.
Coupon rate: The interest rate paid on debt securities, applied to the face value.
Maturity date: The date when the principal of a debt security is repaid to the investor.
Shareholder ownership: Equity shareholders own a proportionate share of the company based on shares held.
Capital gains: Equity investors may earn profits by selling shares at a higher price in the secondary market.

Capital loss: Share price depreciation in the secondary market can lead to losses for equity investors.
Debt issuance: Companies issue debentures, bonds, or take loans to raise debt capital.
Promoter contribution: Initial equity capital provided by promoters to start and grow the business.
Public contribution: Equity capital raised from public investors through share issuances.
Debt terms: Defined by face value, interest rate, maturity, and security (secured or unsecured).
Bank loans: Debt capital can also be raised through term loans or overdrafts from banks.
Equity dilution: Issuing new shares reduces the proportionate ownership of existing shareholders.
Profit sharing: Equity shareholders are entitled to dividends from residual profits after expenses.
Risk capital: Equity is considered riskier as returns are not guaranteed, unlike debt.
Debt priority: Debt holders have priority over equity shareholders in liquidation scenarios.
Share premium: Excess amount over face value charged when issuing equity shares.
Ownership transfer: Equity shareholders can transfer shares to other investors in the secondary market.
Anti-dilution rights: Protect shareholders by allowing them to maintain ownership percentage in future issuances.
Debt marketability: Debt securities may be listed on stock exchanges for trading.
Capital mix: Companies strategically choose a mix of debt and equity to meet funding needs.
Residual profits: Profits remaining after expenses and debt obligations belong to equity shareholders.
Shareholder meetings: Equity shareholders participate in Annual General Meetings (AGMs) to vote on key decisions.
Debt covenants: Terms in debt agreements that outline lender rights and borrower obligations.
Investment choice: Investors choose between equity for ownership or debt for fixed returns based on risk appetite.

CHAPTER 2: CHARACTERISTICS OF EQUITY SHARES

Equity investors: Include promoters, institutional investors, and public investors with varying risk and return expectations.
Promoters: Initial investors who provide risk capital and control the company at inception.
Institutional investors: Professional entities like mutual funds and venture capitalists with expertise in evaluating investments.
Public investors: Retail and high-net-worth individuals investing through IPOs, focusing on returns rather than control.
Ownership rights: Equity shareholders have voting rights proportional to their shareholding.
Dividend rights: Shareholders are entitled to dividends from company profits, though not guaranteed.
Transfer rights: Shareholders can sell shares in the secondary market to exit their investment.
Voting power: Each equity share typically carries one vote in company decisions.
Annual General Meeting (AGM): Shareholders participate in AGMs to vote on major corporate decisions.
No fixed return: Equity dividends depend on profits and management discretion, not fixed.
Capital appreciation: Major return source for equity investors, subject to market fluctuations.
Liquidity risk: Illiquid or unlisted shares may be hard to sell at fair value.
No collateral: Equity shares are not secured by company assets, ranking last in liquidation.
Face value: The nominal value of a share, used to calculate dividends and capital structure.
Share premium: Excess amount over face value charged during share issuance.
Authorised capital: Maximum equity capital a company can issue, as per its Memorandum of Association.
Issued capital: Portion of authorised capital issued to investors.
Paid-up capital: Portion of issued capital fully paid by shareholders.
Outstanding shares: Total shares issued and held by investors, including retail and institutions.
Fully paid shares: Shares where the entire face value is paid upfront by shareholders.
Partly paid shares: Shares with partial payment, subject to future calls for unpaid amounts.
Dividend: Profit distribution to shareholders, declared as a percentage of face value.
Dividend yield: Dividend per share divided by market price, indicating return on investment.
Bonus issue: Additional shares issued to shareholders without cost, using accumulated profits.
Stock split: Reduces face value, increasing the number of shares without changing total value.
Stock consolidation: Increases face value, reducing the number of shares without changing total value.
Buyback: Company repurchases its shares, reducing outstanding shares and capital.
Forfeiture: Shares can be forfeited if shareholders fail to pay call money on partly paid shares.
Preference shares: Offer fixed dividends and priority in dividend and capital repayment.
Cumulative preference shares: Unpaid dividends accumulate and are paid when profits are available.
Participating preference shares: Allow participation in residual profits beyond fixed dividends.
Rights issue: New shares offered to existing shareholders to prevent dilution of ownership.
Preferential issue: Shares issued to strategic investors at a pre-negotiated price, requiring shareholder approval.
No fixed tenor: Equity shares have no maturity date, unlike debt securities.
Promoter control: Promoters retain majority shareholding to maintain control despite dilution.
Institutional involvement: Venture capitalists may actively manage, while mutual funds are typically passive.
Public company: A company with shares listed on a stock exchange, requiring extensive disclosures.

Closely held company: A company with shares held by promoters and a few investors, often private.
Anti-dilution provision: Allows shareholders to maintain ownership percentage by purchasing new shares.
Dividend declaration: Approved by the board and shareholders, typically at AGMs.
Interim dividend: Dividends declared during the year, in addition to final dividends.
Shareholder inspection: Shareholders can inspect company documents and seek legal recourse for mismanagement.
Capital reduction: Achieved through buybacks or forfeiture, requiring shareholder approval.
SEBI regulations: Govern rights issues and preferential issues to protect shareholder interests.
Market risk: Equity investors face potential capital loss due to share price depreciation.

CHAPTER 3: CHARACTERISTICS OF DEBT SECURITIES

Debt security: A contract between issuer and lender for borrowing at predetermined terms.
Bond vs. debenture: Bonds are issued by government/public sector; debentures by private companies.
Principal: The amount borrowed, represented by the face value of the debt security.
Coupon rate: Interest rate paid on the face value, specified at issuance.
Maturity date: Date when the principal is repaid to the debt security holder.
Fixed return: Debt securities provide fixed interest payments, unlike equity's variable returns.
Preference in liquidation: Debt holders are paid before equity shareholders in case of winding up.
Market value: Trading price of a debt security, which may differ from its face value.
Current yield: Coupon payment divided by the market price of the debt security.
Yield to Maturity (YTM): Rate equating discounted future cash flows to the bond's current price.
Convertible debt: Hybrid securities convertible into equity at maturity, with lower coupon rates.
Zero coupon bond: Issued at a discount, with no periodic interest, redeemed at face value.
Deep discount bond: Zero coupon bond with a steep discount, suitable for long-term projects.
Fixed rate bonds: Pay predetermined interest at fixed intervals, redeemed at par.
Floating rate bonds: Interest rate resets periodically based on a benchmark like RBI Repo Rate.
Inflation indexed bonds: Floating rate bonds tied to inflation rates, often issued by RBI.
Amortising bonds: Principal and interest paid over the bond's life, not just at maturity.
Asset-backed securities: Bonds created from pooled assets, like mortgage-backed securities.
Deferred interest bonds: Allow deferral of coupon payments in the initial years.
Step-up bonds: Coupon rates increase over time to reduce initial interest burden.
Credit rating: Assesses default risk, influencing the interest rate of debt securities.
Money market instruments: Short-term debt like commercial papers and treasury bills.
Commercial paper: Unsecured, short-term debt issued by corporations for working capital.
Treasury bills: Government-issued short-term securities with maturities up to one year.
Certificate of deposit: Issued by banks, representing a time deposit with fixed interest.
Secured debt: Backed by company assets, reducing risk for lenders.
Unsecured debt: Not backed by assets, carrying higher risk and interest rates.
Debt listing: Debt securities may be listed on stock exchanges for trading.
Coupon frequency: Interest payments can be monthly, quarterly, semi-annual, or annual.
Bond valuation: Market value fluctuates based on demand, supply, and interest rate changes.
Capital gains/loss: Arise when debt securities are sold above or below their purchase price.
Benchmark rate: Used in floating rate bonds to reset interest rates periodically.
Structured obligations: Indian term for asset-backed securities like mortgage-backed bonds.
Plain vanilla bonds: Standard fixed-rate bonds with regular interest and principal repayment.
Default risk: Influences the coupon rate, with higher risk leading to higher rates.
Long-term debt: Bonds with maturities exceeding one year, up to 30 years or more.
Short-term debt: Includes money market instruments with maturities less than one year.
Credit rating agencies: SEBI-registered agencies assess the creditworthiness of debt issuers.
Interest expense: Coupon payments are treated as expenses before calculating taxable profits.
Debt covenants: Terms in debt agreements that protect lenders' interests.
Bond issuance: Can be at par, premium, or discount, affecting market value.
Mortgage-backed securities: Bonds backed by home loan repayments, a type of asset-backed security.

Variable rate bonds: Another term for floating rate bonds, common in housing loans.
Inflation protection: Inflation indexed bonds protect investors from inflation-driven losses.
Repayment schedule: Amortising bonds have a structured repayment of principal over time.

CHAPTER 4: CHARACTERISTICS OF OTHER SECURITIES

Warrants: Give the right to buy shares at a specified price before a set date.
Convertible debentures: Debt securities convertible into equity at maturity, offering lower coupons.
Depository Receipts (DRs): Certificates representing shares of a foreign company, traded locally.
American Depository Receipt (ADR): DRs issued in the U.S. for foreign company shares.
Global Depository Receipt (GDR): DRs issued globally, representing foreign company shares.
Indian Depository Receipt (IDR): DRs issued in India for foreign company shares.
Foreign Currency Convertible Bonds (FCCBs): Bonds issued in foreign currency, convertible into equity.
Exchange Traded Funds (ETFs): Funds tracking indices, traded like stocks on exchanges.
Index Funds: Mutual funds tracking market indices, offering low-cost diversification.
Real Estate Investment Trusts (REITs): Trusts investing in income-generating real estate, distributing profits.
Infrastructure Investment Trusts (InvITs): Trusts investing in infrastructure projects, distributing income.
Alternative Investment Funds (AIFs): Pooled investment vehicles for private equity, hedge funds, etc.
Corporate Fixed Deposits: Fixed-term deposits offered by companies, carrying higher risk than bank deposits.
Warrant pricing: Based on the underlying share price and time to expiration.
Convertible debenture benefit: Offers fixed interest with potential equity upside.
DR purpose: Facilitates cross-border investment without direct foreign share ownership.
FCCB advantage: Allows companies to raise foreign currency funds with conversion option.
ETF liquidity: Traded on exchanges, providing high liquidity to investors.
Index fund goal: Replicate index performance with minimal tracking error.
REIT distributions: Mandated to distribute most income as dividends to investors.
InvIT focus: Invests in infrastructure assets like roads and power plants.
AIF categories: Include venture capital, private equity, and hedge funds under SEBI regulation.
Corporate FD risk: Higher interest rates but riskier due to lack of deposit insurance.
Warrant exercise: Holders can buy shares at a fixed price, benefiting from price rises.
Convertible debenture terms: Specify conversion ratio and price at issuance.
DR issuance: Requires a custodian bank and depository to issue receipts.
FCCB conversion: Converts into equity at a predetermined price, diluting existing shareholders.
ETF structure: Holds a basket of securities mirroring an index or sector.
Index fund cost: Typically lower fees due to passive management strategy.
REIT regulation: Governed by SEBI, ensuring transparency and investor protection.
InvIT returns: Derived from infrastructure project cash flows, distributed to unitholders.
AIF flexibility: Can invest in diverse assets, unlike mutual funds.
Corporate FD tenure: Fixed maturity periods, often ranging from one to five years.
Warrant risk: May expire worthless if the share price doesn't exceed the exercise price.
Convertible debenture risk: Lower coupons may not compensate if conversion value is low.
DR trading: Traded on local exchanges, simplifying access to foreign stocks.
FCCB currency risk: Exposure to exchange rate fluctuations for issuers and investors.
ETF diversification: Reduces risk by investing in a broad range of securities.
Index fund tracking: Aims to match index returns, minimizing deviation.
REIT income: Primarily from rental income of real estate properties.

InvIT regulation: SEBI mandates periodic disclosures and distribution requirements.
AIF investors: Typically high-net-worth individuals or institutional investors.
Corporate FD default: Risk of non-payment by the issuing company, unlike bank FDs.
Warrant leverage: Offers high returns potential with lower upfront investment.
Convertible debenture appeal: Balances fixed income with equity growth potential.

CHAPTER 5: BASICS OF MUTUAL FUNDS

Mutual funds: Pooled investment vehicles collecting funds from investors for diversified portfolios.
Units of mutual funds: Represent investors' proportionate ownership in the fund's assets.
Asset Management Company (AMC): Manages mutual fund investments and operations.
Net Asset Value (NAV): Per-unit value of the fund's assets minus liabilities.
Open-ended funds: Allow continuous buying and selling of units at NAV.
Close-ended funds: Fixed number of units, traded on exchanges after the initial offer.
Diversification: Mutual funds spread investments across assets to reduce risk.
Professional management: AMCs employ experts to manage fund investments.
Liquidity: Open-ended funds offer easy redemption, enhancing investor flexibility.
Low investment threshold: Mutual funds allow small investments, making them accessible.
Transparency: Funds disclose NAV, portfolio holdings, and expenses regularly.
Regulatory oversight: SEBI regulates mutual funds to protect investor interests.
Assets Under Management (AUM): Total market value of a fund's investments.
Expense ratio: Annual fees charged by the fund, impacting investor returns.
Portfolio diversification: Reduces risk by investing in various asset classes.
Mutual fund types: Include equity, debt, hybrid, and sectoral funds.
NAV calculation: Total assets minus liabilities, divided by the number of units.
Redemption: Investors can sell units back to the fund at the current NAV.
Systematic Investment Plan (SIP): Allows regular, fixed investments in mutual funds.
Capital gains: Profits from selling mutual fund units at a higher NAV.
Dividend option: Investors receive periodic payouts from fund profits.
Growth option: Profits are reinvested to increase the NAV of units.
Fund objective: Defines the investment goal, like growth, income, or capital preservation.
Risk profile: Varies by fund type, with equity funds carrying higher risk.
Mutual fund benefits: Offer diversification, liquidity, and professional management.
SEBI regulations: Mandate disclosures and investor protection measures for funds.
Fund manager: Makes investment decisions to achieve the fund's objectives.
Benchmark index: Used to compare a fund's performance with market standards.
Exit load: Fee charged for redeeming units within a specified period.
New Fund Offer (NFO): Initial offering of a new mutual fund scheme.
Key Information Memorandum (KIM): Summarizes fund details for investors.
Portfolio turnover: Measures how frequently the fund's holdings are changed.
Debt funds: Invest in bonds and fixed-income securities for stable returns.
Equity funds: Invest in stocks, aiming for capital appreciation.
Hybrid funds: Combine equity and debt for balanced risk and return.
Sectoral funds: Focus on specific industries, carrying higher risk.
Tax benefits: Certain funds offer tax deductions under specific schemes.
Fund performance: Evaluated based on returns, risk, and benchmark comparison.
Investor suitability: Funds cater to different risk appetites and investment goals.
SIP benefits: Encourages disciplined investing and rupee cost averaging.
NAV disclosure: Daily for open-ended funds, ensuring transparency.
Fund expenses: Include management fees, distribution costs, and operational charges.

RTA role: Handles investor services, unit allotments, and record-keeping for mutual funds.
Mutual fund risk: Subject to market, credit, and liquidity risks.
Investor education: Funds promote awareness to help investors make informed decisions.

CHAPTER 6: SEBI - ROLE AND REGULATIONS

SEBI Act, 1992: Establishes SEBI to regulate securities markets and protect investors.
Investor protection: SEBI aims to ensure fair practices and transparency in markets.
Insider Trading Regulations: Prohibit trading based on unpublished price-sensitive information.
Fraudulent Practices Regulations: Prevent unfair trade practices in securities markets.
Investor Education and Protection Fund (IEPF): Manages unclaimed dividends and shares.
RTA Regulations, 1993: Govern registrars and share transfer agents' operations.
Intermediaries Regulations, 2008: Set standards for market intermediaries' conduct.
Depositories Regulations, 2018: Regulate depositories and participants for demat services.
SEBI objectives: Protect investors, promote market development, and regulate intermediaries.
Insider trading: Involves trading by those with access to confidential company information.
Prohibited practices: Include market manipulation and fraudulent transactions.
IEPF purpose: Returns unclaimed assets to rightful investors or their heirs.
RTA registration: Mandatory with SEBI to perform registrar and transfer functions.
Compliance officer: RTAs must appoint a qualified company secretary for regulatory compliance.
Tripartite agreement: Required for appointing a new share transfer agent.
Depository system: Facilitates electronic holding and transfer of securities.
Investor grievances: SEBI mandates prompt redressal by RTAs and intermediaries.
SCRA compliance: Ensures securities contracts adhere to regulatory standards.
SEBI powers: Include issuing guidelines, conducting inspections, and imposing penalties.
Disclosure requirements: RTAs must report investor complaints and resolutions monthly.
KYC norms: Mandatory for investor identification and anti-money laundering compliance.
Cybersecurity framework: SEBI's CSCRF strengthens cyber resilience for regulated entities.
Stewardship code: Guides mutual funds and AIFs in corporate governance of investee companies.
Investor awareness: SEBI promotes financial literacy to empower investors.
Regulatory sandbox: Allows testing of innovative financial products in a controlled environment.
RTA responsibilities: Include processing applications, corporate actions, and investor services.
Insider trading penalties: SEBI imposes strict penalties for violations to ensure fairness.
Fraud prevention: Regulations prohibit misleading disclosures and market manipulations.
IEPF transfer: Unclaimed shares/dividends are transferred to IEPF after seven years.
Depository participants: Facilitate investor interaction with the depository system.
SEBI guidelines: Ensure RTAs maintain transparency and efficiency in operations.
Compliance reporting: RTAs report to SEBI and stock exchanges on investor services.
Investor rights: SEBI ensures investors' access to fair and timely grievance redressal.
Market integrity: SEBI regulations promote trust and stability in securities markets.
RTA oversight: SEBI monitors RTAs for compliance with investor service standards.
Cyber audit: Regulated entities must submit cybersecurity reports as per CSCRF.
Insider trading disclosure: Companies must report insider trades to stock exchanges.
IEPF claims: Investors can reclaim assets from IEPF through a defined process.
RTA record-keeping: Maintains accurate records of share transfers and investor details.
SEBI inspections: Regular audits ensure intermediaries comply with regulations.
Investor complaints: RTAs must disclose complaint data on their websites monthly.
Depository oversight: SEBI regulates depositories to ensure secure demat operations.

Fraudulent trade penalties: SEBI imposes sanctions for unfair practices to protect markets.
Stewardship responsibilities: Institutional investors monitor governance in listed companies.
Regulatory updates: SEBI periodically amends regulations to enhance market efficiency.

CHAPTER 7: PUBLIC OFFER OF SECURITIES

Public offer: Issuing shares to the public to raise equity capital.
Initial Public Offer (IPO): First-time issuance of shares to the public by a company.
Further Public Offer (FPO): Additional share issuance by an already listed company.
Reservations: Shares reserved for specific investor categories like retail or QIBs.
Eligibility for IPO: Companies must meet SEBI criteria, including profit and capital requirements.
Buyback of securities: Company repurchases shares, reducing outstanding share capital.
Public issue process: Involves pre-issue preparation and post-issue allotment activities.
Retail investors: Individuals investing small amounts, typically up to ₹2 lakh.
Qualified Institutional Buyers (QIBs): Institutional investors like mutual funds and banks.
Non-Institutional Investors (NIIs): High-net-worth individuals investing above retail limits.
SEBI ICDR Regulations: Govern public issues to ensure transparency and fairness.
IPO objectives: Raise capital for expansion, debt repayment, or operational needs.
FPO purpose: Additional capital raising by listed companies for various purposes.
Share allotment: Based on applications received, subject to SEBI allocation rules.
Buyback regulations: Governed by SEBI Buy-Back Regulations, 2018, ensuring fairness.
Minimum public shareholding: Listed companies must maintain 25% public holding.
Book Building: Pricing mechanism where investor bids determine the issue price.
Fixed price issue: Shares offered at a predetermined price set by the issuer.
Oversubscription: When applications exceed the shares offered in a public issue.
Underwriting: Intermediaries guarantee subscription of shares in a public issue.
Prospectus: Document detailing company and issue information for investors.
Red Herring Prospectus: Preliminary prospectus filed before final pricing.
Green Shoe Option: Allows oversubscription to stabilize post-issue share prices.
Listing requirements: Companies must meet stock exchange criteria for listing shares.
IPO pricing: Determined through book building or fixed price methods.
Allotment basis: Pro-rata or lottery-based, depending on subscription levels.
Lock-in period: Promoters' shares may be locked in post-IPO to prevent early sales.
Buyback methods: Include tender offers and open market purchases.
SEBI oversight: Ensures compliance with public offer regulations and investor protection.
Retail reservation: Portion of shares reserved for retail investors in public issues.
QIB allocation: Significant share allocation to institutional investors in IPOs.
Application process: Investors apply through ASBA or UPI for public issues.
Escrow account: Holds investor funds during the public issue process.
Refund process: Excess or unallotted funds returned to investors post-allotment.
Lead manager: Coordinates the public issue process, ensuring regulatory compliance.
Share dilution: New share issuance reduces existing shareholders' ownership percentage.
Buyback benefits: Enhances shareholder value by reducing outstanding shares.
IPO disclosures: Companies must provide detailed financial and operational information.
Stock exchange role: Facilitates listing and trading of shares post-public issue.
Investor categories: Include retail, NII, and QIB, each with specific allocation rules.
Buyback limits: SEBI regulates the maximum shares a company can repurchase.
IPO timeline: Reduced to T+3 days for listing, per SEBI regulations.

FPO eligibility: Less stringent than IPO, focusing on additional capital needs.
Public issue transparency: Mandatory disclosures ensure investor awareness.
Buyback approval: Requires shareholder approval via special resolution.

CHAPTER 8: MODES OF ALLOTMENT OF SHARES OTHER THAN PUBLIC OFFERS

Private placement: Issuing shares to a select group of investors, not the public.
Qualified Institutions Placement (QIP): Issuance of shares to QIBs on a private placement basis.
Rights issue: Shares offered to existing shareholders to prevent ownership dilution.
Employee Stock Options (ESOPs): Shares allotted to employees as part of compensation.
Convertible debentures conversion: Debt securities converted into equity shares per terms.
Private placement regulations: Governed by SEBI ICDR and Companies Act provisions.
QIP eligibility: Available to listed companies meeting SEBI financial criteria.
Rights issue ratio: Determines shares offered per existing share held.
ESOP purpose: Incentivizes employees by offering ownership in the company.
Convertible bond terms: Specify conversion price and ratio at issuance.
Private placement approval: Requires shareholder approval to issue shares.
QIP pricing: Based on SEBI guidelines, often at a discount to market price.
Rights issue voluntary: Shareholders can choose to participate or sell rights.
ESOP vesting: Employees earn the right to exercise options over time.
Convertible bond dilution: Conversion reduces existing shareholders' ownership.
Private placement limit: Caps on shares issued to comply with public shareholding norms.
QIP speed: Faster capital raising compared to public offers.
Rights issue pricing: Often at a discount to attract shareholder participation.
ESOP regulations: Governed by SEBI and Companies Act for fair implementation.
Convertible bond benefit: Balances debt financing with equity conversion potential.
Private placement investors: Include institutional investors and strategic partners.
QIP restrictions: Cannot be issued to promoters or related parties.
Rights issue process: Involves offer letter and shareholder communication.
ESOP taxation: Taxable as perquisite when options are exercised by employees.
Convertible bond issuance: Requires detailed disclosures in offer documents.
Private placement flexibility: Allows tailored agreements with select investors.
QIP disclosures: Mandatory reporting to stock exchanges post-issuance.
Rights issue timeline: Streamlined by SEBI for faster processing.
ESOP benefits: Aligns employee and company interests through ownership.
Convertible bond risk: Investors face risk if conversion value is low.
Private placement documentation: Includes board and shareholder resolutions.
QIP compliance: Adheres to SEBI ICDR and LODR regulations.
Rights issue renounceability: Shareholders can sell rights to other investors.
ESOP allocation: Limited to eligible employees as per company policy.
Convertible bond maturity: Converts or is redeemed at the end of the term.
Private placement speed: Quicker than public issues, with fewer regulatory hurdles.
QIP purpose: Used for capital expenditure, debt repayment, or growth funding.
Rights issue approval: Requires board and shareholder consent.
ESOP schemes: Must be approved by shareholders and comply with SEBI rules.
Convertible bond appeal: Attracts investors seeking fixed income and equity upside.
Private placement dilution: Reduces existing shareholders' stake, requiring approval.
QIP limits: Restricted to 50% of issued capital in a financial year.

Rights issue benefits: Maintains proportionate ownership for existing shareholders.
ESOP administration: Often managed by RTAs for record-keeping and allotment.
Convertible bond regulation: Subject to SEBI and RBI guidelines for FCCBs.

CHAPTER 9: PROCESSES RELATED TO PUBLIC OFFERING OF SHARES

Pre-issue work: Involves preparing prospectus, appointing intermediaries, and obtaining approvals.
Post-issue work: Includes share allotment, refunds, and listing on stock exchanges.
Prospectus: Legal document detailing company and issue information for investors.
Red Herring Prospectus: Preliminary prospectus without final issue price or offer size.
Underwriting: Intermediaries guarantee subscription of shares in case of undersubscription.
Green Shoe Option: Allows additional share issuance to stabilize post-listing prices.
Book Building: Pricing method based on investor bids within a price band.
Fixed price issue: Shares offered at a set price, not determined by bids.
SME IPO: Public offer by small and medium enterprises with relaxed regulations.
ASBA: Application Supported by Blocked Amount, ensuring funds remain in investor accounts.
UPI integration: Facilitates IPO applications with faster payment processing.
Lead manager: Coordinates pre- and post-issue activities, ensuring compliance.
Share allotment: Pro-rata or lottery-based, depending on subscription levels.
Refund process: Returns unallotted or excess funds to investors post-allotment.
Listing timeline: Reduced to T+3 days per SEBI regulations for faster listing.
Prospectus filing: Mandatory with SEBI and stock exchanges before issue.
Underwriter role: Absorbs unsubscribed shares, reducing issuer risk.
Green Shoe mechanism: Stabilizes share prices by allowing additional share sales.
SME IPO eligibility: Lower financial thresholds compared to mainboard IPOs.
ASBA process: Blocks funds in investor’s account until allotment is finalized.
UPI limits: Caps on transaction amounts for retail investors in public issues.
Draft Red Herring Prospectus: Filed with SEBI for review before final prospectus.
Book Building advantages: Ensures market-driven pricing for public issues.
SME IPO benefits: Enables smaller companies to access capital markets.
Allotment transparency: SEBI mandates fair and equitable share allocation.
Refund timeline: Must be completed within T+3 days post-allotment.
Lead manager duties: Include due diligence, marketing, and regulatory filings.
Green Shoe limit: Up to 15% of the issue size can be issued under this option.
Prospectus disclosures: Include financials, risks, and issue objectives.
ASBA banks: Designated banks handle blocked funds for public issue applications.
UPI advantages: Simplifies payment and reduces application processing time.
SME IPO listing: On SME platforms of BSE or NSE for smaller companies.
Underwriting agreement: Specifies terms for intermediaries’ subscription obligations.
Book Building process: Involves bidding, price discovery, and allocation.
Red Herring disclosures: Excludes final price but includes all other issue details.
Listing agreement: Signed with stock exchanges to meet listing obligations.
SME IPO regulations: Governed by SEBI ICDR with relaxed norms for SMEs.
ASBA eligibility: Available to all investor categories for public issues.
UPI mandate: Single-block, multiple-debit system for efficient fund blocking.
Prospectus approval: Requires SEBI and stock exchange clearance before issuance.
Green Shoe execution: Managed by a stabilizing agent post-listing.
Allotment criteria: Based on SEBI guidelines for equitable distribution.

Refund mechanism: Processed through electronic transfers for efficiency.
SME IPO disclosures: Simplified compared to mainboard IPOs but still mandatory.
Issue monitoring: Lead managers ensure compliance with issue timelines and rules.

CHAPTER 10: ROLES AND RESPONSIBILITIES IN A PUBLIC ISSUE

Registrar and Transfer Agent (RTA): Manages application processing, allotments, and investor services.
Sponsor Bank: Facilitates UPI-based payments for public issue applications.
Bankers to the Issue: Handle escrow accounts and fund transfers for public issues.
Syndicate Members: Intermediaries accepting bids and placing orders for the issue.
Designated Intermediaries: Include brokers and DPs facilitating investor applications.
RTA responsibilities: Include data validation, share allotment, and refund processing.
Sponsor Bank role: Ensures seamless UPI payment integration with ASBA.
Bankers' duties: Manage investor funds in escrow and facilitate refunds.
Syndicate Members' role: Coordinate with stock exchanges for bid collection.
ASBA facility: Blocks funds in investor accounts until allotment is finalized.
RTA data management: Maintains accurate records of applications and allotments.
Sponsor Bank compliance: Adheres to SEBI and RBI guidelines for UPI transactions.
Bankers' escrow: Ensures secure handling of investor funds during the issue.
Syndicate Members' eligibility: Must be SEBI-registered and authorized by exchanges.
RTA investor services: Handle grievances, share transfers, and corporate actions.
Sponsor Bank limits: Manages UPI transaction caps for retail investors.
Bankers' coordination: Work with RTAs for smooth fund allocation and refunds.
Syndicate Members' underwriting: May underwrite portions of the public issue.
ASBA advantages: Enhances fund security and simplifies application process.
RTA reporting: Submits issue-related data to SEBI and stock exchanges.
Sponsor Bank technology: Integrates UPI with clearing corporations for settlements.
Bankers' accountability: Ensure timely transfer and refund of investor funds.
Syndicate Members' outreach: Market the issue to attract investor participation.
RTA efficiency: Must process applications within SEBI-specified timelines.
Sponsor Bank monitoring: Tracks UPI mandates for successful application processing.
Bankers' compliance: Adhere to SEBI and RBI regulations for fund handling.
Syndicate Members' coordination: Work with lead managers for issue execution.
ASBA integration: Combines with UPI for faster and secure applications.
RTA grievance redressal: Addresses investor complaints promptly and transparently.
Sponsor Bank role in refunds: Facilitates quick refund processing via UPI.
Bankers' record-keeping: Maintains records of all transactions during the issue.
Syndicate Members' bids: Collect and validate investor bids for allotment.
RTA technology: Uses systems for efficient application and allotment processing.
Sponsor Bank security: Ensures secure handling of UPI-based payments.
Bankers' escrow accounts: Segregate investor funds to prevent misuse.
Syndicate Members' reporting: Submit bid data to RTAs and stock exchanges.
ASBA process: Ensures funds remain in investor accounts until allotment.
RTA coordination: Works with banks and exchanges for seamless issue execution.
Sponsor Bank limits: Caps UPI transactions at ₹5 lakh for public issues.
Bankers' transparency: Provide clear records of fund movements to regulators.
Syndicate Members' role in ASBA: Accept ASBA applications from investors.
RTA post-issue duties: Include listing coordination and share certificate issuance.

Sponsor Bank efficiency: Reduces payment processing time for investors.
Bankers' regulatory compliance: Follow SEBI guidelines for escrow management.
Syndicate Members' investor support: Assist investors during the application process.
RTA investor interface: Manages communications and updates for shareholders.

CHAPTER 11: DEPOSITORY SERVICES

Dematerialisation: Conversion of physical securities into electronic form for trading.
Depository system: Facilitates electronic holding and transfer of securities.
Depository Participants (DPs): Intermediaries linking investors to the depository.
Depositories: NSDL and CDSL manage electronic securities in India.
Investor accounts: Beneficiary accounts hold dematerialized securities for trading.
Dematerialisation benefits: Enhances security, reduces paperwork, and speeds up transfers.
Depository role: Ensures safe custody and efficient transfer of securities.
DP eligibility: Includes banks, brokers, RTAs, and NBFCs with SEBI registration.
Beneficiary account: Investor's account with a DP for holding demat securities.
ISIN: Unique identifier for securities in the depository system.
Dematerialisation process: Involves submitting physical certificates to DPs for conversion.
Depository oversight: SEBI regulates depositories for investor protection.
Investor interface: Investors interact with depositories through DPs for services.
Electronic transfers: Shares are transferred electronically, reducing settlement time.
DP services: Include account opening, demat, remat, and pledge of securities.
NSDL and CDSL: India's two depositories, managing most demat accounts.
Dematerialisation request: Submitted via Dematerialisation Request Form (DRF).
Depository security: Uses robust systems to prevent fraud and errors.
Investor KYC: Mandatory for opening demat accounts with DPs.
DP net worth: SEBI mandates minimum net worth for DPs, e.g., ₹10 crore for RTAs.
Electronic trading: Demat accounts enable seamless trading on stock exchanges.
Depository fees: Charged by DPs for account maintenance and transactions.
Dematerialisation timeline: Typically completed within 21 days of request.
Depository transparency: Provides investors with transaction and holding statements.
DP responsibilities: Execute investor instructions for share transfers and pledges.
Dematerialisation security: Reduces risks of loss, theft, or damage to physical certificates.
Depository connectivity: Links with stock exchanges and RTAs for smooth operations.
Investor convenience: Demat accounts simplify shareholding and trading processes.
DP compliance: Must adhere to SEBI Depositories Regulations, 2018.
Dematerialisation mandatory: SEBI mandates demat form for listed securities transfers.
Depository reporting: Provides data to SEBI and exchanges on holdings and transfers.
DP grievance redressal: Handles investor complaints related to demat services.
Electronic settlement: Facilitates faster trade settlements through clearing corporations.
Dematerialisation advantages: Eliminates risks of physical certificate handling.
Depository infrastructure: Uses advanced technology for secure record-keeping.
DP account types: Include resident, non-resident, and corporate accounts.
Dematerialisation verification: DPs verify documents before processing requests.
Depository audits: SEBI conducts inspections to ensure compliance.
Investor access: DPs provide online platforms for account management.
Dematerialisation records: Maintained electronically for accuracy and retrieval.
Depository linkage: Connects investors, issuers, and exchanges for efficient operations.
DP investor education: Guides investors on demat account usage and benefits.

Dematerialisation efficiency: Reduces transaction costs and processing time.
Depository resilience: Implements cybersecurity measures per SEBI guidelines.
DP coordination: Works with RTAs for corporate actions and share transfers.

CHAPTER 12: PROCESSES RELATED TO DEPOSITORIES

Dematerialisation process: Involves submitting DRF and physical certificates to DPs.
Rematerialisation: Conversion of electronic securities back to physical certificates.
Trading and settlement: Depository system enables electronic trade settlements.
Beneficial Owner Reporting: DPs report investor holdings to depositories and issuers.
Corporate actions: Include dividends, bonus issues, and stock splits processed via depositories.
Reconciliation: Ensures issuer, depository, and RTA records align for accuracy.
IEPF transfer: Unclaimed shares transferred to IEPF after seven years.
Dematerialisation Request Number (DRN): Unique identifier for demat requests.
Rematerialisation Request Form (RRF): Used to request physical certificate issuance.
Clearing corporation: Facilitates trade settlement in the depository system.
Corporate action processing: DPs credit dividends, bonus shares, or rights to accounts.
Reconciliation frequency: Daily, weekly, or monthly to ensure data consistency.
IEPF account: Holds unclaimed shares and dividends for investor claims.
Dematerialisation timeline: Completed within 21 days, per SEBI guidelines.
Rematerialisation purpose: Investors may prefer physical certificates for specific reasons.
Trade settlement cycle: T+1 for most securities, ensuring quick transfers.
Beneficial owner data: Includes investor details like PAN, address, and holdings.
Corporate action types: Mandatory (e.g., dividends) or voluntary (e.g., rights issues).
Reconciliation process: Matches shareholding data across issuer, RTA, and depository.
IEPF claims process: Investors submit claims to recover assets from IEPF.
Dematerialisation benefits: Faster transfers, reduced costs, and enhanced security.
Rematerialisation timeline: Typically processed within 30 days of request.
Settlement process: Involves delivery of securities and funds via clearing corporations.
Beneficial owner reports: Submitted weekly to issuers for corporate action processing.
Corporate action credits: Automatically credited to demat accounts by DPs.
Reconciliation errors: Resolved promptly to maintain accurate records.
IEPF regulations: Governed by IEPF Authority Rules, 2016, and amendments.
Dematerialisation mandatory: SEBI requires demat form for listed security transfers.
Rematerialisation request: Requires investor KYC and account verification.
Trade confirmation: DPs confirm trade execution and settlement to investors.
Corporate action notifications: Issued by RTAs and depositories to investors.
Reconciliation importance: Prevents discrepancies in shareholding data.
IEPF transfer process: RTAs facilitate transfer of unclaimed shares to IEPF.
Dematerialisation security: Uses secure systems to prevent fraud or errors.
Rematerialisation rarity: Less common due to preference for demat holdings.
Settlement efficiency: Depositories reduce settlement risks and delays.
Beneficial owner updates: DPs update investor details like address or bank.
Corporate action disputes: Handled by DPs and RTAs per SEBI guidelines.
Reconciliation audits: Conducted to ensure compliance with SEBI regulations.
IEPF investor awareness: RTAs and depositories educate investors on claim processes.
Dematerialisation records: Maintained electronically for easy access and retrieval.
Rematerialisation fees: Charged by DPs for processing physical certificate requests.

Settlement obligations: DPs ensure delivery of securities to meet trade obligations.
Corporate action transparency: Investors receive timely updates on actions like dividends.
Reconciliation tools: Automated systems used by RTAs and depositories for accuracy.

CHAPTER 13: INVESTOR INTERFACE WITH THE R&T AGENT

Transfer of securities: RTAs process share transfers in physical or demat form.
Change in investor information: RTAs update details like address, bank, or PAN.
Duplicate certificate: Issued by RTAs for lost or damaged physical certificates.
Stop transfers: RTAs halt transfers in cases of disputes or legal issues.
Transmission: Transfer of shares to heirs upon shareholder's death.
Investor services timelines: SEBI mandates specific timelines for RTA services.
Online processing: RTAs offer web-based platforms for investor requests.
Annual General Meeting (AGM): RTAs facilitate shareholder participation and voting.
E-voting: RTAs provide electronic voting facilities for shareholder resolutions.
RTA AGM responsibilities: Include preparing shareholder lists and managing voting.
Change of address SOP: Requires KYC documents like Aadhaar or utility bills.
Duplicate certificate SOP: Involves affidavit and indemnity bond submission.
Transmission SOP: Requires death certificate and legal heir documents.
KYC updation: Mandatory for PAN, address, and bank details updates.
Investor grievances: RTAs must resolve complaints within SEBI timelines.
Stop transfer process: Initiated for lost shares or legal disputes, with investor notification.
Transmission process: Simplified for small holdings with relaxed documentation.
E-voting platform: Provided by RTAs or depositories for shareholder convenience.
AGM coordination: RTAs ensure accurate shareholder data for meetings.
Online grievance redressal: RTAs implement systems like SCORES for complaints.
Change of address verification: Requires self-attested KYC documents for processing.
Duplicate certificate issuance: Requires verification of investor identity and holdings.
Transmission eligibility: Legal heirs or nominees inherit shares per company records.
KYC compliance: Adheres to SEBI and PMLA guidelines for investor verification.
Investor communication: RTAs send updates on service requests via email/SMS.
Stop transfer reasons: Include theft, fraud, or court orders restricting transfers.
E-voting benefits: Enhances shareholder participation and voting efficiency.
AGM shareholder lists: RTAs prepare Register of Members for voting eligibility.
Grievance transparency: RTAs disclose complaint data on websites monthly.
Change of address timeline: Processed within 30 days per SEBI guidelines.
Duplicate certificate timeline: Issued within 45 days of complete documentation.
Transmission timeline: Completed within 60 days with proper documents.
KYC forms: Standardized formats for updating investor details, per SEBI.
Online service portals: RTAs offer platforms for tracking requests and complaints.
Stop transfer reversal: Requires resolution of underlying issues or court orders.
E-voting security: Uses secure systems to ensure voting integrity.
AGM notices: RTAs distribute notices to shareholders per regulatory timelines.
Grievance escalation: Investors can escalate unresolved issues to SEBI's SCORES.
Change of address documents: Include utility bills not older than three months.
Duplicate certificate indemnity: Investors provide bond to cover potential losses.
Transmission disputes: Resolved through legal documents or court orders.
KYC mandatory fields: Include PAN, Aadhaar, bank details, and contact information.

Online request tracking: RTAs provide Complaint Registration Numbers for transparency.
E-voting regulations: Governed by SEBI and Companies Act for fair voting.
RTA investor support: Ensures prompt and accurate handling of shareholder queries.

CHAPTER 14: SECONDARY MARKET TRANSACTIONS

Secondary market: Platform for trading listed securities among investors.
Stock markets: BSE and NSE facilitate secondary market trading in India.
Market participants: Include brokers, DPs, clearing corporations, and custodians.
Listing of securities: Companies list shares on exchanges, meeting SEBI criteria.
SEBI LODR Regulations: Govern listing obligations and disclosure requirements.
Brokers: SEBI-registered intermediaries executing trades on stock exchanges.
Depository Participants (DPs): Manage demat accounts for trading and settlement.
Clearing corporation: Guarantees trade settlements, reducing counterparty risk.
Custodians: Hold securities for institutional investors, ensuring safe custody.
Listing requirements: Include minimum public shareholding and profit criteria.
Public shareholding: Listed companies must maintain 25% public holding.
LODR disclosures: Mandate timely financial and operational disclosures.
UPI block facility: Blocks funds in investor accounts for secondary market trades.
Trade settlement: Completed in T+1 cycle for most securities.
Broker eligibility: Requires SEBI registration and minimum base capital.
DP net worth: Minimum ₹10 crore for RTAs acting as DPs, per SEBI.
Clearing corporation role: Clears and settles trades, ensuring fund and security delivery.
Custodian services: Include settlement, corporate action processing, and reporting.
Listing agreement: Defines company obligations to investors and exchanges.
LODR compliance: Includes quarterly financial reports and investor grievance data.
UPI advantages: Enhances security by keeping funds in investor accounts.
Broker exposure: Limited by base capital deposited with the exchange.
DP responsibilities: Execute investor instructions for share transfers and pledges.
Clearing corporation funds: Manages blocked funds for trade settlements.
Custodian clients: Primarily institutional and foreign portfolio investors.
Listing disclosures: Include price-sensitive information and corporate actions.
LODR amendments: Strengthen corporate governance and investor protection.
UPI settlement: Integrates with clearing corporations for efficient settlements.
Broker registration: Must meet SEBI and stock exchange eligibility criteria.
DP account management: Provides investors with transaction and holding statements.
Clearing corporation guarantee: Ensures trade completion even if a party defaults.
Custodian compliance: Adheres to SEBI regulations for securities handling.
Listing profit criteria: Minimum ₹15 crore average operating profit for three years.
LODR cybersecurity: Requires reporting of cyber incidents with quarterly reports.
UPI block mechanism: Single-block, multiple-debit system for trade funding.
Broker role in trades: Executes buy/sell orders on behalf of investors.
DP KYC compliance: Mandatory for account opening and transaction processing.
Clearing corporation efficiency: Reduces settlement risks and delays.
Custodian reporting: Provides detailed holding and transaction reports to clients.
Listing transparency: Ensures timely dissemination of price-sensitive information.
LODR board composition: Mandates independent directors and audit committees.
UPI transaction limits: Caps at ₹5 lakh for secondary market trades.

Broker client servicing: Assists investors with trade execution and queries.
DP investor support: Offers online platforms for demat account management.
Clearing corporation integration: Links with depositories for seamless settlements.

CHAPTER 15: CLIENT SERVICING

Investor definition: Individuals or entities investing capital for financial returns.
First Time Right (FTR): Ensuring services are performed correctly the first time.
Client servicing principles: Include attitude, patience, empathy, and compassion.
Service etiquettes: Transparency, truthfulness, and professionalism in investor interactions.
Investor grievances: RTAs must resolve complaints promptly and transparently.
FTR requirements: Single point of contact and extensive product knowledge.
Empathy: Understanding and addressing investors' emotions and needs.
Patience: Essential for handling frustrated or unclear investor queries.
Compassion: Focuses on relieving investor issues with tailored solutions.
Liaising skills: RTAs coordinate with companies and regulators for investor services.
Communication skills: Use positive language and clear answers for investor satisfaction.
Transparency: Provide accurate information about RTA services and processes.
Keeping promises: Avoid commitments that cannot be fulfilled to maintain trust.
Proactive support: Address investor issues before escalation to enhance satisfaction.
Feedback collection: Seek investor feedback post-resolution to improve services.
Professional attitude: Maintain consistent professionalism in all interactions.
Gratitude: Thank investors to build rapport and loyalty.
SOP compliance: Follow standard operating procedures for processing requests.
Maker-checker concept: Ensures accuracy in document processing by RTAs.
Objection processing: Send objection letters for incomplete requests via registered post.
KYC requirements: Mandatory PAN, Aadhaar, and utility bills for verification.
Document preservation: Store documents securely, with shredding after approval.
Complaint registration: Generate unique numbers for tracking investor grievances.
SCORES platform: SEBI's online system for filing and escalating complaints.
Online Dispute Resolution (ODR): Alternative for unresolved grievance disputes.
FTR approach: Ensures prompt and accurate handling of investor requests.
Misrepresentation avoidance: Provide truthful information to prevent confusion.
Fair services: Avoid rejections or allotments on flimsy grounds.
Confidentiality: Do not disclose investor information without authorization.
Non-discrimination: Treat all investors equally, per SEBI guidelines.
Grievance redressal timeline: Resolve complaints within SEBI-specified periods.
Investor details: Collect PAN, Aadhaar, and contact info for effective resolution.
Website disclosures: RTAs must publish monthly complaint data online.
ODR portal: Facilitates online arbitration and conciliation for disputes.
Grievance escalation: Investors can escalate issues to SEBI or ODR if unresolved.
Thanking investors: Enhances reputation and encourages positive word-of-mouth.
SOP for documents: All requests must be inwarded and assigned a unique number.
KYC verification: Ensures compliance with anti-money laundering regulations.
Investor communication: Use email/SMS for updates on service requests.
Feedback benefits: Helps RTAs improve service quality and efficiency.
Professional language: Avoid negative phrases to maintain investor confidence.
Grievance records: RTAs maintain detailed records of complaints and resolutions.

ODR institutions: Empanelled by MIIs for arbitration and conciliation services.
Investor education: RTAs guide investors on processes and grievance mechanisms.
Service consistency: Use standardized vocabulary for clear communication.

IMPORTANT FORMULAS

Dividend Payout: Dividend per share = (Dividend percentage × Face value) / 100

Dividend Yield: Dividend yield = (Dividend per share / Market price) × 100

Current Yield (Debt): Current yield = (Annual coupon payment / Market price) × 100

Yield to Maturity (YTM): Price = Σ (Cash flow / (1 + YTM)^t)

Share Premium: Share premium = Issue price – Face value

Number of Shares (Stock Split): New shares = Original shares × (Split ratio)

Number of Shares (Consolidation): New shares = Original shares / Consolidation ratio

NAV (Mutual Fund): NAV = (Total assets – Total liabilities) / Number of units

Expense Ratio: Expense ratio = (Total fund expenses / Average AUM) × 100

Bonus Issue Shares: Bonus shares = Existing shares × (Bonus ratio)

IMPORTANT NOTE :

1. Attend **ALL** Questions.
2. For the questions you don't know the right answer – Try to eliminate the wrong answers and take a guess on the remaining answers.
3. DO NOT MEMORISE the questions & answers. It's not the right to way to prepare for any NISM exam. Good understanding of Concepts is essential.

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All the Best ☺

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