

Securities Law & Market Operation

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Preface

The Indian securities market is very dynamic and has transformed prodigiously, since the inception of the Bombay Stock Exchange in the mid 80's. The magnitude of trade done in the securities market made it mandatory to bring in legislations to monitor and regulate these markets.

This book has been conceptualised as a text book and is a compilation of Acts, Guidelines & Notifications issued by SEBI to regulate the market and protect the interest of the investors. The main objective of this book is to elucidate the components of the securities market and its operations briefly. It provides a quick reference to the important guidelines issued by SEBI in regulating the market infrastructure institutions. This book makes available to the readers an understanding of the capital market investments.

The securities market is a very broad area of study and this book gives a basic knowledge of stock market investments and the various instruments traded in the primary and secondary market. The language is kept very simple and review questions have been added at the end of each chapter.

P. Sudha

Acknowledgment

The author has compiled this book from the Rules & Regulations issued by SEBI and notifications given by the RBI. Inferences have been taken from the Companies Act and SCR Act. The two major stock exchanges in India NSE & BSE, the regulation, notices and circulars issued by them have also been used in this book.

I am thankful to the support rendered from the publication team in bringing out this book.

An earnest effort has been done to make this book to be without any mistakes or misprints. Any suggestions for improvement of the book are welcome.

P. Sudha

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UNIVERSITY OF MADRAS

B.COM. DEGREE COURSE IN CORPORATE SECRETARYSHIP SYLLABUS WITH EFFECT FROM 2020-2021

ALLIED-IV

SECURITIES LAWS AND MARKET OPERATIONS

UNIT I

Primary Market/New Issue Market

Meaning – Functions of New issue market – Methods of floating new issues – Players involved in the new issue market (Merchant bankers – Underwriters – Brokers - Registrar – Lead managers & Banks) – Role of SEBI relating to the new issue market – SEBI Guidelines for disclosure & Investor Protection.

UNIT II

Secondary Market/Stock Exchange

Origin & Management of stock exchanges in India – Characteristics – Functions – Members – Granting recognition to stock exchanges – Listing of securities & registration of brokers – Kinds of brokers in stock exchange – NSE – BSE – OTCEI – SEBI Guidelines relating to listing of securities.

UNIT III

Financial Instruments in New Issue & Secondary Market

Treasury bills – Commercial bills – Certificate of deposits- Equity shares – Preference shares – Sweat equity shares – Debentures – American Depository Receipts – Global Depository Receipts – Exchange traded funds & exchange traded notes – Mutual Funds.

UNIT IV

Mechanism of Stock Market Trading

Screen based trading and internet based trading – Demat trading and role of

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Market indexes – SENSEX, NIFTY & CNX NIFTY (Basics)

UNIT V

Credit Rating Agency

Meaning – Functions – Credit rating in India – Credit rating agencies in India – CRISIL & CARE

POST GRADUATE DIPLOMA IN SECURITIES LAWS

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PAPER II : Securities Laws

PAPER I

Introduction to the concept of Capital Markets & Securities

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6. SEBI (Prohibition of Insider Trading) Regulations, 2015
7. FEMA Regulations
8. Mutual Funds Regulations in India.
9. Regulatory Framework relating to Securities Market Intermediaries

About the Book

Securities Law & Market Operation is a text book which caters to the needs of the students at the UG & PG level. The chapters of the book have been designed in such a way as to provide a ready reference to cover the syllabus of different universities. Some of the key high lights of the book are:

- all the relevant rules & regulations framed by SEBI have been incorporated in this book.
- the various financial instruments that are traded in the financial markets have been dealt with.
- the stock market trading mechanism have been elucidated in a simple and lucid way.
- a reference book for teachers, teaching capital markets and its laws.
- a text book for students studying capital markets & capital market operation.

About the Author

Dr. P. Sudha teaches at the Department of Corporate Secretaryship, Chevalier T. Thomas Elizabeth College for Women, Chennai. Having completed her post-graduation with a University Rank, she joined full time Ph.D with Finance as her specialisation. She was awarded the doctoral degree in the year 2011. She has specialised in the areas of Capital Markets & Corporate Laws.



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