

**D 133548**

(Pages : 2)

Name.....

Reg. No.....

**FIRST SEMESTER (CUFYUGP) DEGREE EXAMINATION  
NOVEMBER 2025**Economics / Development Economics / Economics with Foreign Trade / Economics with  
Islamic Finance

ECO 1FM 105—SECURITY TRADING PRACTICES

(2024 Admission onwards)

Time : One Hour and a Half

Maximum : 50 Marks

**Section A***All questions can be answered.**Each question carries 2 marks.*

1. Differentiate between CDSL and NSDL
2. Define derivative market. Name two types of derivatives.
3. How does the CBOE Volatility Index (VIX) work ?
4. What is dividend yield ? How is it calculated ?
5. Define a Portfolio. Give an example of a stock portfolio.
6. Briefly explain behavioural portfolio theory.
7. Define capital gain. Why there is a tax on capital gains ?
8. What are FMCG stocks ? Give examples.
9. Identify the determinants of trading psychology.
10. Differentiate between Sensex and Nifty. Who controls Sensex and Nifty ?

(Ceiling : 16 marks)

**Section B***All questions can be answered.**Each question carries 6 marks.*

11. Distinguish between primary market and secondary market. Explain the features of any 2 instruments of secondary market.

**Turn over**

12. *While CAPM is widely used by investors to estimate the return or the moving behaviour of the stock, Markowitz model is employed to achieve portfolio diversification. Discuss.*
13. Write a note on different trader in the secondary market. Identify the role played by DIIs in share market.
14. What is the role of brokers in share market ? Narrate the process of opening a demat account with a discount broker.
15. Give an overview of important virtual trading platforms. Narrate the procedure of trading through a virtual trading platform.

(Ceiling : 24 marks)

### Section C

*Answer any **one** question.  
The question carries 10 marks.*

16. Differentiate between fundamental analysis and technical analysis. Examine the importance and tools of fundamental analysis and technical analysis.
17. Examine the significance of trade management in die stock market. Describe the significance of portfolio allocation and selection in different sectors.

(1 × 10 = 10 marks)

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Maximum : 50 Marks

**Section A**

*All question can be answered.*

*Each question carries 2 marks.*

*Ceiling 16 marks.*

1. Distinguish between futures and options.
2. Define capital gain tax. How is capital gain tax calculated ?
3. Write a note on major indices of BSE and NSE.
4. Point out any *two* importance of technical analysis.
5. Create a list of virtual trading platforms in India.
6. What do you mean by a demat account ?
7. Define equity crowd funding. Do you support equity crowd funding ?
8. Explain the method of candle-stick in technical analysis.
9. What is EV/EBITDA ?
10. What are the main principles of Markowitz portfolio theory ?

**Turn over**

**Section B**

*All question can be answered.*

*Each question carries 6 marks.*

*Ceiling : 24 marks.*

11. *SEBI also regulates how the stock market and mutual funds function. Explain.*
12. Describe how capital building is done through cumulative investment.
13. *Trading psychology* is an important factor that can make or break a trade. Do you agree ? Discuss.
14. Explain P/E ratio and P/B ratio using suitable examples.
15. The CAPM is a financial model that calculates the expected rate of return for an asset or investment. Discuss.

**Section C**

*Answer any **one** question. The question carries 10 marks.*

16. Which are the different sectors in secondary market ? Discuss the significance of portfolio allocation in different sectors.
17. Differentiate between primary and secondary markets. Explain the instruments of secondary market.

(1 × 10 = 10 marks)