Q 1.) Which of the following are not the features of Foreign currency convertible bonds-

1. A foreign currency convertible bond (FCCB) is a type of convertible bond issued in a currency of the issuer's domestic currency.
2. The money being raised by the issuing company is in the form of a foreign currency.
3. A convertible bond is a mix between a debt and equity instrument.
4. It acts like a bond by making regular coupon and principal payments, but these bonds also give the bondholder the option to convert the bond into stock.

Codes:

[a] All of the above
[b] 2, 3 & 4
[c] 1 only
[d] 1, 2, & 3
[e] 2 only
Q.2) Which of the below mentioned statements are not one of the advantages of FCCB to the Issuer of FCCB-

[a] The local Debt markets of the issuing company might be saturated and FCCB would act as a good measure to raise funds.

[b] Straight equity may cause a dilution in earnings and certainly a dilution in control hence FCCB.

[c] Low coupon security which defers Shareholder’s dilution for several years.

[d] The arbitrage opportunities presented by conversion of the FCCBs into equity at a discount on prevailing Indian market price.
Q.3) A depository receipt issued to the American investor by a bank representing shares in a foreign company traded on a local stock exchange is known as-

[a] ADR
[b] GDR
[c] FCCB
[d] IDR
Q.4) Which of the following is the process by which a client can get his electronic holdings converted into physical certificates-

[a] Dematerialisation
[b] Rematerialisation
[c] Immobilsation
[d] Any of the above
Q.5) Which of the below mentioned Intermediaries acts as an agent and holds physical possession of equity shares-

[a] Depository
[b] Depository participants
[c] Custodian
[d] Beneficial owner