Ph.D.-C1-B-204 Roll No..............................

HAMDARD INSTITUTE OF LEGAL STUDIES & RESEARCH (HILSR)
SCHOOL OF LAW
JAMIA HAMDARD, NEW DELHI - 110062
Ph.D. Coursework, 2024
Ph.D.-C1-B-204 || Law of Corporate Finance and Securities Regulation

Time: 3 Hours **Maximum Marks: 75**

Write your Roll No. on the top immediately on receipt of this question paper. Attempt five questions selecting one from each unit. All questions carry equal marks.

UNIT-I (15 Marks)

Q1. Why is corporate finance important for companies, and what are its main areas of influence in managing finances, making investment decisions, and optimizing shareholder returns?

OR

Q2. Write exhaustive notes on the following: **(7.5 x 2 = 15 Marks)**

a) Time-Value of money.

b) Profit Maximization vs. Wealth Maximization.

UNIT-II (15 Marks)

Q3. What are the key differences between Ordinary shares, Preferential shares, and Differential Voting Rights (DVRs) in terms of voting rights, dividend payments, and liquidation preferences, and how do these differences impact an investor's decision-making process and a company's capital structure strategy?

OR

Q4. Mr. Sheldon Cooper, an experienced entrepreneur, has successfully grown his textile manufacturing company over the years. Recently, he came across an innovative tech startup, 'TechSavvy,' founded by young engineers. Impressed by their vision and potential, Mr. Cooper is considering making an angel investment in TechSavvy to support its growth. However, he is unsure about the legal and regulatory considerations involved in making such an investment.

As Mr. Cooper's legal advisor, provide a detailed legal opinion outlining the key legal and regulatory framework for angel investments in India. Discuss the regulatory requirements, permissible investment structures, and potential challenges Mr. Cooper should consider before proceeding with his angel investment in TechSavvy.

UNIT-III (15 Marks)

Q5. What fundamental differences distinguish the primary market from the secondary market in terms of their roles, functions, and impacts on capital markets and investor behavior? Discuss key differentiators between these two markets, highlighting their respective contributions to corporate finance.

OR

Q6. What are the essential legal responsibilities and regulatory obligations of merchant bankers in facilitating Initial Public Offerings (IPOs) in India? Discuss the key roles and functions they perform during the IPO process, including their duties towards due diligence, compliance with securities laws, and ensuring transparency and fairness in the issuance of securities to the public.

UNIT-IV (15 Marks)

Q7. Explain the evolution and functioning of the depository system in India, highlighting its significance in transforming the securities market infrastructure. Discuss the regulatory framework governing depositories and depository participants (DPs).

OR

Q8. Ms. Penny, an investor, has held dematerialized shares in her portfolio for several years. Recently, she decided to rematerialize some of her shares due to personal financial planning reasons. However, she encounters unexpected delays and complications during the Rematerialisation process. As Ms. Penny's legal advisor, analyse the regulatory requirements and procedural steps involved in rematerializing shares in India. Highlight the potential challenges Ms. Penny may face, including documentation issues, timelines, and compliance with regulatory guidelines, and provide recommendations to navigate these challenges effectively.

UNIT-V **(15 Marks)**

Q9. Under Section 11(4) of the SEBI Act, what are the implications and safeguards concerning the extraordinary powers exercised by SEBI during the pendency of an investigation or inquiry? Discuss the legal and procedural framework governing SEBI's authority, the scope of these powers, and the potential implications for stakeholders involved in such proceedings.

OR

Q10. "Confidentiality of corporate decision-making is a key aspect of any company. Disclosures must not only be made for the good of the company, but also by following appropriate legal and corporate procedures. Unauthorised dissemination of confidential material and information about a company is not only unethical but also illegal."

In the light of this statement, critically examine the concept and legal framework governing insider trading in India.

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