

Paper 9

Examination for Additional Product: Equities
(for Debt Instrument Investment Consultant,
Fund Investment Consultant or Derivatives Investment Consultant)

Thailand Securities Institute

July 2012

Paper 9: Examination for Additional Product: Equities

Examination for Additional Product: Equities

Examination type: Multiple choice (4 choices)

Number of questions: 40

Duration: 1 hour

Passing criteria: 70% overall

Topics	No. of Questions
Section 3 Products Knowledge and Rules and Regulations for Dealing in Securities (Equity Instruments Only)	40
3.1 Equity Instruments	35
3.1.1 Equity Markets	10
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3.1: Equity Instruments

1. Equity Markets

Learning Objective Statement:

1. To explain the roles and importance of equity markets
2. To explain the differences between primary and secondary markets
3. To explain methods of issuing securities in a primary market, including private placement and public offering
4. To distinguish types of securities in equity markets
5. To explain the roles and objectives of The Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai)
6. To explain listing criteria of the SET and mai
7. To classify types of indices by calculation method
8. To explain the SET index series and their calculation procedures

2. Equity Instruments

Learning Objective Statement:

1. To explain the characteristics of various types of equities, which are common stocks, preferred stocks, convertible bonds, unit trusts, warrants, derivative warrants (DWs), and non-voting depository receipts (NVDRs)
2. To compare the advantages and disadvantages of each type of equity instrument
3. To explain risk, return, and advantages of investing in equity instruments
4. To explain the relationship between risk and return of investments
5. To analyze the relationship between risk and return, and explain the risk level of each type of equity instrument
6. To explain taxation regulations applicable to investing through the SET
7. To give an overview of common stock valuation
8. To explain the meaning of value
9. To explain methods and concepts of common stock valuation
10. To explain variables affecting the value of common stock

11. To apply common stock valuation to making investment decisions
12. To describe and explain financial information preparation for common stock valuation
13. To explain the income-based approach for common stock valuation
14. To explain and calculate common stock valuation using discounted cash flow approaches (DCF), including the zero growth, constant growth, and non-constant growth models
15. To explain and apply price per earnings ratio stock valuation
16. To explain the components of a warrant's value
17. To explain influences on warrant prices
18. To analyze warrant prices using various ratios

3.2: Rules and Regulations for Dealing in Securities (Equity Instruments Only)

1. Equity Instrument Trading Principles and Procedures

Learning Objective Statement:

1. To explain the trading system, order matching method, and trading hours of SET
2. To explain trading methods and procedures of SET's trading system
3. To explain the types of orders and their limitations
4. To explain trading size and describe the types of SET trading boards
5. To explain the criteria for ceiling and floor limits and spread
6. To explain the methods and procedures for opening a trading account
7. To explain the types of trading accounts and their differences
8. To explain rules for margin accounts
9. To explain and calculate margins
10. To explain prohibited trading behaviors
11. To explain SET's roles and measures used in trading supervision
12. To explain the objectives and meanings of signs posted on the trading board indicating situations or conditions applicable to a particular security
13. To explain the circuit breaker mechanism
14. To explain SET's contingency plan for computer malfunctions
