

Fast Track Webinar Series

RACE *for* SACE

Day 1

SEBI - NiSM Social Auditor Certification Exam

**4th
Batch**



RACE for SACE - Batch IV

FAST TRACK

Webinar Series for SEBI - NISM - SACE
Social Auditor Certification Exam

Social Auditors



FREE COURSE TO CRACK THE EXAM

Monday ♦ 3rd JUNE 2024 ♦ 08:30 AM to 09:30 AM ♦ www.3spro.blogspot.com

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RACE for SACE - Batch IV

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8.30am - 9.30am



June 3rd - 7th ,2024



NISM

NATIONAL INSTITUTE OF
SECURITIES MARKETS
An Educational Initiative of SEBI



RSVP | Venkatesh | Webinar Coordinator | 75502 25226

Fast Track

SACE - Assessment Structure

- The examination consists of 85 multiple choice questions and 3 case-based questions (each case having 5 sub-questions) adding upto 100 marks.
- The assessment structure is as follows:

Multiple Choice Questions	MCQ	85 questions x 1 mark each	85
Case Based Questions	CBQ	3 cases x 5 questions x 1 mark each	15
		Total Marks	100

To register and to take the examination

visit www.nism.ac.in

SACE - Assessment Structure

- The examination should be completed in 2 hours.
- The passing score for the examination is 60.
- *There shall be negative marking of 25% of the marks assigned to a question.
- **Name of Module:** NISM Series XXIII: Social Auditors Certification Examination

Fees (Rs.)	1770+
Test Duration (in minutes)	120
No. of Questions	100~
Maximum Marks	100
Pass Marks (%)	60*
Certificate Validity (in years)	3#

Passing Certificate will be issued only to those candidates who have furnished/ updated their Income Tax Permanent Account Number (PAN) in their registration details.

SACE - Syllabus

#	Chapter Description	Questions	Marks
1	Introduction to Social Sector and Indian Financial Markets	4 + 4	8
2	Introduction to Trading, Clearing Settlement and Risk Management	4	4
3	Introduction to Social Stock Exchange	10	10
4	Registration and Listing on Social Stock Exchanges	5	5
5	Social Audit and Social Auditors	12	12
6	Social Audit Techniques and Standards	13	13
7	Social Impact Assessment	15	15
8	Social Impact Assessment - Case Studies	3	15
9	Disclosure Norms, Reporting Requirements by Social Auditors and Penalties	10	10
10	Taxation	4	4
11	Key Regulations	4	4
		88	100

Chapter 1

Introduction to Social Sector and Indian Financial Markets

**1. The Sustainable Development Goals Report 2021 describes
..... UN Sustainable Development Goals (SDG)**

a) 16

b) 17

c) 18

d) 19



SUSTAINABLE DEVELOPMENT GOALS



Why 17 is a lucky number?

Number 17 symbolises Dharma (Sun - 1) and esoteric spiritual knowledge (Ketu - 7). The combination of these Numbers is deemed auspicious and is known for blessing one with success. However, when added (1+7), 17 mirrors the qualities of Number 8 ruled by Shani (Saturn).

2. According to SEBI ICDR Regulations, a social enterprise means that meets the eligibility criteria specified in the SEBI ICDR Regulations.

- a) Not for Profit Organisation (NPO)**
- b) For Profit Social Enterprise (FPSE)**
- c) Both (a) and (b)**
- d) Either (a) or (b)**

What Are The Difference Between These Three?

CHARITY

Non profit,
not generating
revenue or profit.

SOCIAL ENTERPRISE

A combination of
business and social
goals, but with
emphasis in the
latter.

Profit is reinvested
in community or
company.

FOR PROFIT COMPANY

Profit maximizing
company. CSR and
social impact
considered an
add-on to the core
business agenda.

3. is/are the primary goal/s of the Social Enterprise which is demonstrated through its focus on social objectives for the underserved or less privileged populations or regions.

- a) Social Intent**
- b) Social Impact**
- c) (a) and (b)**
- d) Only (a)**
- e) (a) or (b)**

intent (you)

something that is intended; by purpose; design



impact (others)

the effect or influence of one person, thing, or action, on another.

4. are programs designed to deliver social benefits and develop human capital of specific target groups.

- a) Social Objectives**
- b) Social Welfares**
- c) Social Protections**
- d) Social Interventions**

intent (you)

something that is intended; by purpose; design



impact (others)

the effect or influence of one person, thing, or action, on another.

5. Social Enterprises **also have access to which of the following?**

- a) Social venture capital funds**
- b) Grants & Donations**
- c) Both (a) and (b)**
- d) NOTA**

TYPES OF ALTERNATIVE INVESTMENT FUNDS IN INDIA



Category 1

- Infrastructure Fund
- Venture Capital Fund
- Angel Fund
- Social Venture Fund



Category 2

- Private Equity Fund
- Real Estate Fund
- Debt Fund
- Fund of Funds



Category 3

- Hedge Fund
- PIPE Fund

6. Policy Priorities for India - NITI Aayog strategy for New India @ 75 highlights policy areas

- a) 17**
- b) 19**
- c) 21**
- d) 41**

SECTOR PRIORITISATION FOR INVESTOR MAP



Top Priority Development Needs
(SDGs in which India's performance is lowest)



Other Strong Development Needs
(SDGs in which India's performance is relatively low)



Policy Priorities for India

**41 policy areas highlighted in NITI
Aayog's Strategy for New India @ 75**



Private Sector Participation

**21 policy areas distinctly inviting
private sector participation**



Private Sector Participation

13 policy areas with sector-specific themes

7. To be identified as a social enterprise, a Not for Profit Organisation or a For Profit Social Enterprise, shall establish primacy of

- a) social intent**
- b) social outcome**
- c) social impact**
- d) social activity**

8. A combination of that are to be used to establish the primacy of social impact objective of the social enterprise.

- a) Three Filters**
- b) Four Filters**
- c) Five Filters**
- d) Six Filters**

9. Which of the following is **not a Financial market Regulator?**

- a) Reserve Bank of India**
- b) Securities and Exchange Board of India**
- c) Insurance Regulatory and Development Authority of India**
- d) Insolvency and Bankruptcy Board of India**
- e) Pension Fund Regulatory and Development Authority**

10. are organizations that invest large sum of money and employ specialised knowledge and investment skills.

- a) Institutional investors
- b) Accredited Investors
- c) Qualified Investors
- d) Professional Investors.

11. Which is 13th UN Sustainable Development Goals ?

- a) Climate Change
- b) Climate Action
- c) Zero Poverty
- d) No Hunger

13 CLIMATE ACTION



12. keep the record of the loan servicing behaviour of the borrowers and then assign them a credit score to reflect their overall position.

- a) NBFC
- b) KRA
- c) CIC
- d) RTA

13. are financial entities that provide strategic advice to companies, governments and others on their capital requirements and investment decisions and arrange raising such funds on terms that are most suitable to the company.

- a) Investment Bankers
- b) Portfolio Managers
- c) Asset Management Companies
- d) Investment Advisors

14. was entrusted upon the responsibility of operating and maintaining a KYC Registry, governed under PML Rules 2005 (Maintenance of Records).

- a) SEBI
- b) CERSAI
- c) CRA
- d) CIC

15. There are different forms of social sector organizations in India. There is for these organisations for regulation

- a) SEBI
- b) RBI
- c) Ministry of Finance
- d) Ministry of Home Affairs
- e) No single Regulatory body

16. can be defined as the effect on people and communities that happens as a **result of an action or inaction, an activity, project, programme or policy**

- a) Social Enterprises
- b) Social Intent
- c) Social Impact
- d) Social Mission

17. A social enterprise will have a positive change on the which is called its social impact.

- a) Primary Stakeholders
- b) Secondary Stakeholders
- c) Society at large
- d) Any of the Above three - (a) or (b) or (c)
- e) All of the above three – (a) and (b) and (c)

18. A of an organization will denote that it is created / incorporated to serve a **social good and has a **social mission**.**

- a) Social Intent
- b) Social Impact
- c) Social Objective
- d) Social Intervention

19. are **programs designed to deliver social benefits and develop human capital of specific target groups.**

- a) Social Intent
- b) Social Impact
- c) Social Objective
- d) Social Intervention

20. The defines Social Capital as “networks together with shared norms, values and understandings that facilitate cooperation within or among groups”

- a) World Bank
- b) Organisation for Economic Cooperation and Development
- c) United Nations Brundtland Commission
- d) Securities and Exchange Board of India

21. Social is a process of achieving desired social change.

- a) Development
- b) Good
- c) Mission
- d) Welfare

22. Following are the Social sector interventions methods used by social workers **except**

- a) Narrative based
- b) Care based
- c) Strength based
- d) Evidence based
- e) Problem based

23. This approach of Social Intervention Method helps beneficiaries to discuss their problems and view it as external to themselves. It also helps them to see its positive and negative effects.

- a) Narrative based
- b) Care based
- c) Strength based
- d) Evidence based
- e) Problem based

24. Following are the International standards applicable for social development **except; these international standards are voluntary guidelines and are subject to **regulatory compliance**.**

- a) OECD Guidelines for Multinational Enterprises
- b) UN Guiding Principles on Business and Human Rights
- c) Business Responsibility and Sustainability Reporting
- d) The Universal Declaration of Human Rights
- e) Global Reporting Initiative

25. Following are various types of securities; **except**

- a) Equity
- b) Derivative
- c) Mutual Funds
- d) Real Estate
- e) REIT

26. regulates the National Pension System (NPS)

- a) RBI
- b) SEBI
- c) IRDAI
- d) PFRDA
- e) IBBI

27. is a class of investors who have an understanding of various financial products and the risks-returns associated with them and therefore, are able to take informed decisions regarding their investments, is recognized by many securities and financial market regulators around the globe; except

- a) Institutional investors
- b) Accredited Investors
- c) Qualified Investors
- d) Professional Investors.

28. work with investors to help them make a choice of securities that they can buy, based on an assessment of their needs, time horizon returns expectation and ability to bear risk.

- a) Investment Bankers
- b) Investment Advisors
- c) Stock-Brokers
- d) Authorised Persons

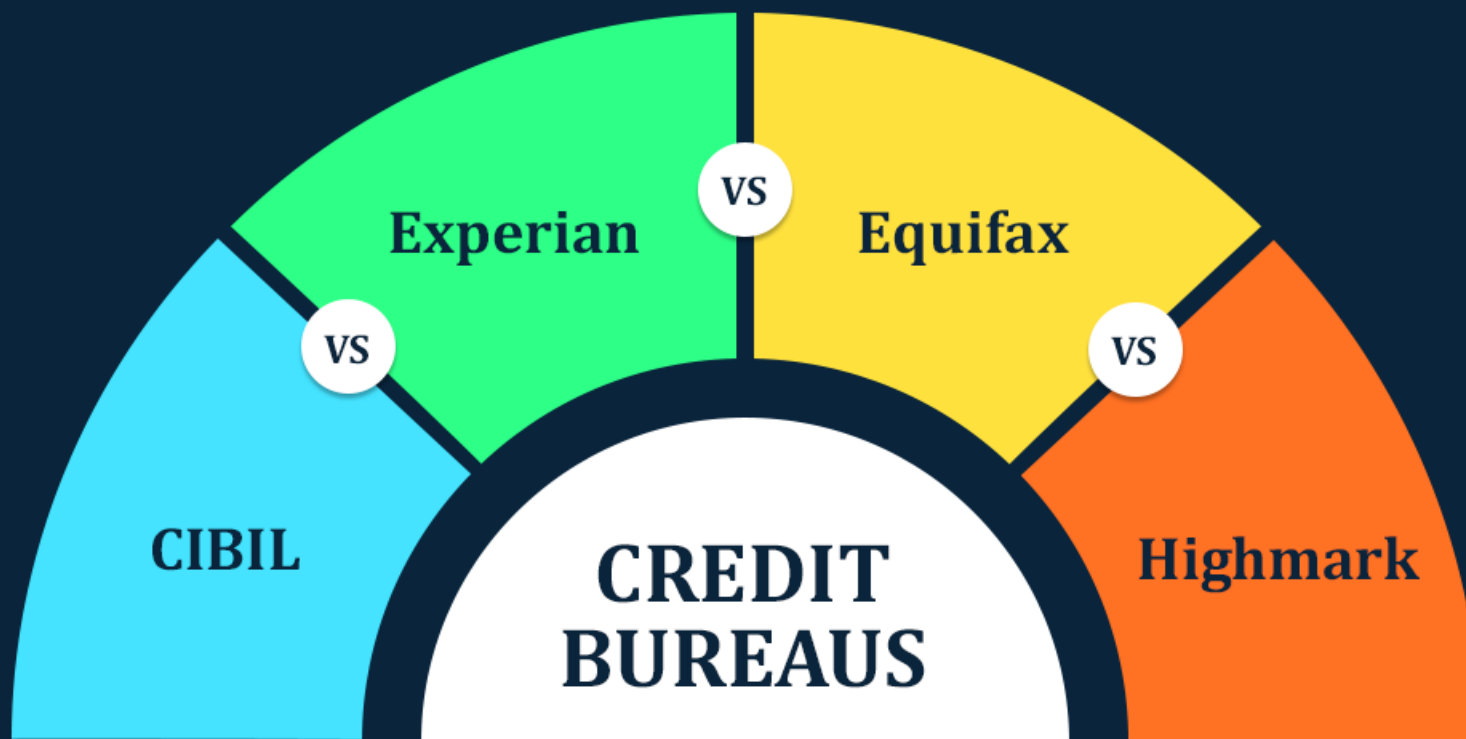
29. hold securities and manage bank accounts on behalf of the institutional investors.

- a) Depository
- b) Clearing Corporation
- c) Custodians
- d) Portfolio Manager

CERSAI

- Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)
- CERSAI is a Government of India company, licensed under section 8 of the Companies Act, 2013. Its Registered Office is at New Delhi.
- The company has been incorporated with majority shareholding of the Central Government, Public Sector Banks and National Housing Bank initially for the purpose of operating a Registration System under the provisions of Chapter IV of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).
- Later, **CERSAI was entrusted upon the responsibility of operating and maintaining a KYC Registry, governed under PML Rules 2005 (Maintenance of Records).**

- The Security Interest Registry, which was incorporated in 2011, made a humble beginning by filing of Security Interest of Immovable Properties, it has today matured into a complete registry encompassing security interest of immovable, movable, intangible properties and assignment of receivables.
- It now provides access to all kind of creditors and also provides facility for filing of attachment orders and court orders, so as to provide a complete picture of any encumbered / attached property.
- The importance of Security Interest Registry and its contribution In Ease of Doing Business (EoDB) score of the country under the sub-head Getting Credit has been significant.



	Institutional Investor	Retail Investor
Whose money do they invest?	Invest and manage other people's money	Invest their own money
How often do they trade?	Trade more frequently	Trade less frequently
How much do they invest?	Deal with large amounts of money that has the ability to affect the stock market.	Invest relatively small amounts
How much are their fees?	Brokerage fees are less as are trading more frequently with bigger amounts.	Brokerage fees and commission fees are high.
How knowledgeable are they?	Specialist knowledge, research and available resources.	Fewer skills and knowledge
How much access to information do they have?	Access to any information available on the market.	Only access to retail specific information.

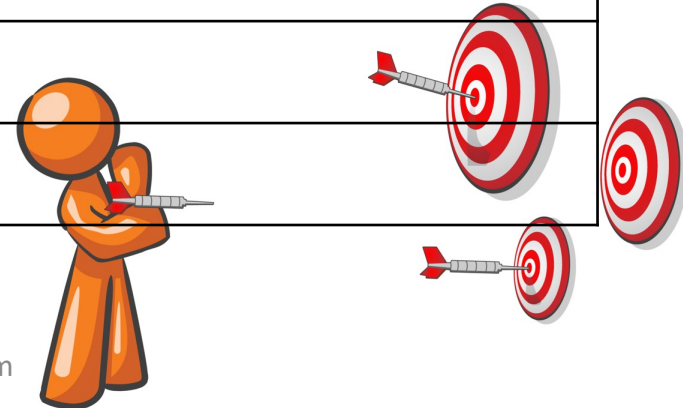
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SACE Exam Focus areas - अंतिम मिनिट की तैयारी

Social Terms to be distinguished clearly:

✓ Social Enterprise	✓ Social Welfare
✓ Social Intent	✓ Social Capital
✓ Social Impact	✓ Social Development
✓ Social Objective	
✓ Social Intervention	
✓ Social Sector	
✓ Development Sector	
✓ Social Good	
✓ Social Mission	





ANOTHER SHOT AT SUCCESS

This is the second expert panel report on setting up SSEs in the country

Source: Sebi report

	Exchange	Instrument	Disclosures
FOR-PROFIT	IGP, SME, NSE or BSE (main board)	Equity, debt, development impact bonds, SVPs	Social impact reporting
NOT-FOR-PROFIT	Separate segment under the existing stock exchanges	Equity, ZCZP, MFs, SVPs, development impact bonds	Social impact reporting and other disclosure requirements of exchanges

The social sector is also called the third sector comprising myriad development organizations, voluntary organizations, NGOs, non-state, non-market organizations working on issues of development, Section 8 Companies, social enterprises and entrepreneurs, individuals working on fellowships, collaborative and collectives.

1	b	11	b	21	a	31		41	
2	d	12	c	22	e	32		42	
3	c	13	a	23	b	33		43	
4	d	14	b	24	c	34		44	
5	a	15	e	25	d	35		45	
6	d	16	c	26	d	36		46	
7	a	17	e	27	a	37		47	
8	a	18	c	28	b	38		48	
9	d	19	d	29	c	39		49	
10	a	20	b	30		40		50	

Section - I : Introduction to Social Sector – 16 Questions

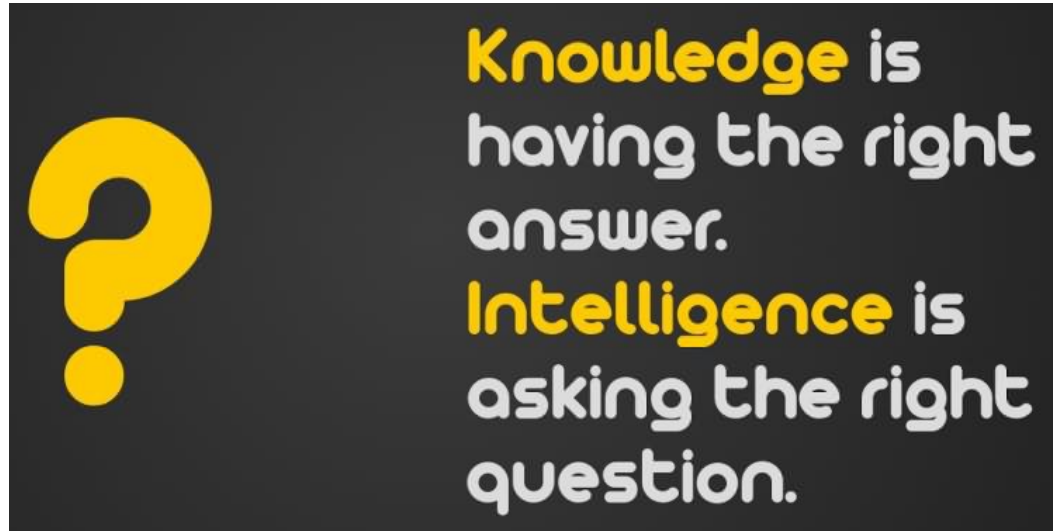
- 1.1 Know the Overview of Social Sector in Indian Economy
- 1.2 Know the Sustainable Development Goals (SDGs)
- 1.3 Understand the Concept of Social Enterprises
- 1.4 Learn the Taxonomy related to Social Enterprises
 - 1.4.1 Primacy of Social Intent/Impact
 - 1.4.2 Social Objective
- 1.5 Understand Social Intervention
 - 1.5.1 Know the Concepts and Terms in Social Sector Interventions
 - 1.5.2 Learn the Methodologies for Social Interventions
 - 1.5.3 Learn the Inherent risks and errors faced during social interventions
- 1.6 Know the International standards applicable for social development
- 1.7 Learn the Challenges of comparability faced by social sector organisations
- 1.8 Understand the Social Sector Landscape in India
 - 1.8.1 Learn about the Spectrum of Development interventions
 - 1.8.2 Know the need of different types of development interventions
 - 1.8.3 Learn about the Spectrum of stakeholders and their role in the development landscape
- 1.9 Understand Social Sector Inequities
 - 1.9.1 Learn about Sectoral Thrust
 - 1.9.2 Learn about Geographical Thrust
 - 1.9.3 Learn about Technological Thrust

Section - II : Indian Financial Markets – 15 Questions

- 1.1 Learn about the Indian Financial Markets
 - 1.1.1 Introduction
 - 1.1.2 Know the Types of Financial Markets in India
 - 1.1.3 Know the Intermediaries in Financial Markets in India
 - 1.1.3.1 Market Infrastructure Institutions
 - 1.1.3.2 Custodians
 - 1.1.3.3 Stock Brokers /Authorized Persons
 - 1.1.3.4 Investment Banks
 - 1.1.3.5 Insurance Companies
 - 1.1.3.6 Pension Funds
 - 1.1.3.7 Asset Management Companies and Portfolio Managers
 - 1.1.3.8 Investment Advisers
 - 1.1.3.9 Credit Rating Agencies
 - 1.1.3.10 KYC Registration Agencies
 - 1.1.3.11 Registrar and Transfer Agents
 - 1.1.3.12 Non-bank finance companies and housing finance companies
 - 1.1.3.13 Credit Bureaus

Section - II : Indian Financial Markets – 16 Questions

- 1.1.4 Know the different type of investors
 - 1.1.4.1 Retail Investors
 - 1.1.4.2 Institutional Investors
 - 1.1.4.3 Accredited Investors
 - 1.1.4.4 Role of Issuers
 - 1.1.4.5 Financial Market Regulators
 - 1.1.4.5.1 Ministry of Finance
 - 1.1.4.5.2 Ministry of Corporate Affairs
 - 1.1.4.5.3 Reserve Bank of India
 - 1.1.4.5.4 Securities and Exchange Board of India
 - 1.1.4.5.5 Insurance Regulatory and Development Authority of India
 - 1.1.4.5.6 Pension Fund Regulatory and Development Authority
- 1.2 Learn about various types of securities
 - 1.2.1 Equity
 - 1.2.2 Derivatives
 - 1.2.3 Fixed Income
 - 1.2.4 Commodities
 - 1.2.5 Real Estate
 - 1.2.6 Mutual Funds



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