



All About NISM Certificates Exam

NISM-Series-V-A: Mutual Fund Distributors Certification Examination (NISM Exam) is organized by National Institute of Securities Market. Only after clearing the NISM Certification exam, the prospect gets the ARN Number and becomes a Mutual Fund Agent. The NISM Exam seeks to construct a common minimum knowledge standard for all candidates involved in Mutual Funds sales and distribution, including the Individual Mutual Fund Distributors, Employees of organizations engaged in sales and distribution of Mutual Funds and the Employees of Asset Management Companies (AMC), especially people engaged in Mutual Funds sales and distribution. The certification intends to augment the sales quality, distribution, and related support services in the industry.



Key Highlights:

1. NISM Certifications Eligibility Criteria
2. Mode to Appear in the NISM Exam
3. How Much NISM Certification Fees to be submitted?
4. What is the Validity of NISM Certificate?
5. NISM Certification Exam Pattern
6. NISM Series VA - Name of Module
7. How to Enroll for the NISM Exam?
8. NISM Certifications Exam Syllabus
9. NISM Exam Study Material
10. Frequently Asked Questions (FAQs)
11. Become a Mutual Fund Distributor

NISM Exam Eligibility:

According to the guidelines given by The National Institute of Securities Market (NISM):

- Anyone who is 18 years and above can participate in the NISM Exam and become a mutual fund distributor / advisor.
- There is no educational qualification listed as per the Association of Mutual Fund (AMFI) website.

Mode to Appear in the NISM Mutual Fund Distributor Exam:

According to the NISM details given by the Association of Mutual Fund (AMFI) website, a person can take the examination either in Hindi or English language. The mode of NISM Exam to become a mutual fund distributor is Offline for Hindi language and English both.

How Much NISM Exam Fee to be submitted?

While getting the registration done for the NISM Mutual Fund distributor exam, a person needs to pay an amount of Rs.1,500/- as NISM exam fees. Mode to pay the fee will be online through Credit Card/Debit Card or net banking.

What is the Validity for a NISM Certificate?

As per the NISM details available at Association of Mutual Fund (AMFI) website, the certificate will be valid for around 3 years.

NISM Exam Pattern:

- There will be 100 questions in the examination.
- Each question will be of 1 mark (Maximum marks 100).
- To qualify the examination it is necessary to score at least 50% marks.
- No negative marks for incorrect answers.

Name of Module: NISM-Series-V-A: Mutual Fund Distributors Certification Examination

| Fees (Rs.) | Test Duration (in minutes) | No. of Questions | Maximum Marks | Pass Marks (%) | Certificate Validity (in years) |
|------------|----------------------------|------------------|---------------|----------------|---------------------------------|
| 1500+ | 120 min | 100 | 100 | 50 | 3 |

How to Enroll for The NISM Exam?

- For completing the [NISM](#) certification registration, Login in to [NISM](#) and click on 'New Account' option
- NISM Registration- Complete your profile. A scanned copy of Passport size photo, Aadhar Card and PAN Card would be needed in JPG format.
- The profile gets approved within 3 days after the NISM exam registration and verification is done.
- Login to book the NISM Series V-A exam (Available in Hindi & English Language)
- Booking involves - Selection of city, time slot & payment of Rs.1,500
- In location select online if you want to give exam from home online.
- The workbook will be available in the NISM portal. Download and study for the exam.
- Once you clear the exam you have to apply for ARN

NISM Exam Syllabus:

In order to qualify the NISM Exam, it is necessary for the personnel to understand the whole NISM Examination Syllabus. Following are the topics included in the NISM Curriculum.

I. Investment Landscape

- Understand the parameters of the Indian Economy: Describe about Investors and their Financial Goals
- Understand Savings and Investment
- Discuss Different Asset Classes
- Understand the Classification of Investment Risks
- Explain Risk Measure and Management Strategies
- Understand Behavioral Biases in Investment Decision Making
- Understand Risk Profiling
- Explain the Asset Allocation
- Comparison between the two approaches – Do-it-yourself and Taking Professional Help

II. Concept & Role of a Mutual Fund

- Explain the Concept of Mutual Fund
- Understand the Classifications of Mutual Funds
- Describe the Growth of the Mutual Fund Industry in India

III. Legal Structure of Mutual Funds in India

- Describe the Structure of Mutual Funds in India
- Understand the Key Constituents of a Mutual Fund
- Understand the Organization Structure of Asset Management Company
- Understand the Role and Support Functions of Service Providers of Mutual Funds
- Explain the Role and Function of AMFI

IV. Legal and Regulatory Framework

- Describe Role of Regulators in India
- Discuss Role of Securities and Exchange Board of India
- Know the Due Diligence Process Followed by AMCs for Distributors of Mutual Funds
- Explain Investor Grievance and Redressed Standards (Explain about SCORES)
- Understand AMFI Code of Conduct for Intermediaries

V. Scheme Related Information

- Understanding the Mandatory Documents and their Purpose, Objective and Significance
- Explain the Non-Mandatory Disclosures

VI. Fund Distribution and Channel Management Practices

- Explain the Role and Importance of Mutual Fund Distributors
- Understand the Classification of Mutual Fund Distributors

- Explain the Modes of Distribution
- Understand the Pre-requisites to Become Distributor of the Mutual Fund
- Explain Revenue for a Mutual Fund Distributor
- Know the Commission Disclosure mandated by SEBI
- Explain the Due Diligence Process by AMCs for Distributors of Mutual Funds
- Discuss Nomination Facilities to Agents / Distributors and Payment of Commission to Nominee
- Explain About Change of Distributor

VII. Net Asset Value, Total Expense Ratio and Pricing of Units

- Discuss the Fair Valuation Principles
- Compute Net Assets of a Mutual Fund Scheme and NAV
- Explain about Dividends & Distributable Reserves
- Know about the Concept of Entry and Exit Load and its Impact on NAV
- Know about the Key Accounting and Reporting Requirements Applicable to Mutual Funds
- Know about the NAV, Total expense ratio and Pricing of units for the Segregated Portfolio

VIII. Taxation

- Understand Applicability of various taxes in respect of Mutual Funds
- Understand about Capital gains, Capital gains (Long term & Short term) tax and Indexation.
- Understand about the Dividend Income and Dividend Income tax

- Understand the Difference Between dividend distribution tax and capital gains tax
- Understand the basics of Setting off Gains and Losses under Income Tax Act
- Understand about Securities Transaction Tax
- Understand about Tax benefit under Section 80C of the Income Tax Act for investment pertaining to Mutual Funds
- Understand about Tax Deducted at Source (TDS) in Mutual Funds
- Understand Applicability of GST in Mutual Funds

IX. Investor Services

- Describe the NFO Process
- Explain about the New Fund Offer Price /On-going price for subscription
- Discuss Different types of investment plans and options
- Explain how the mutual fund units are allotted to the investor
- Describe the content and periodicity of Statement of Accounts for investments
- Describe different types of Mutual Fund Investors
- Explain how to fill in the application form for Mutual Funds
- Describe the financial transactions with Mutual Funds (Purchase, Redemption and Switches)
- Explain Cut-off time and Time Stamping
- Describe the KYC requirement for mutual fund investors
- Explain the different types of systematic transactions
- Explain operational aspects of systematic transactions

- Explain Non – Financial Transactions in Mutual Funds
- Discuss change in Status of Special Investor Categories
- Explain Investor Transactions – turnaround times

X. Risk, Return and Performance of funds

- Understand the General and Specific Risk Factors
- Explain the Factors that affect mutual fund performance
- Describe Drivers of Returns and Risk in mutual fund Scheme
- Understand the Measures of Returns
- Know about the SEBI norms regarding representation of returns by Mutual Funds in India
- Explain risks in fund investing with a focus on investors
- Understand the Measures of Risk
- Explain certain provisions with respect to Credit Risk

XI. Mutual Fund Scheme Performance

- Explain the concept of Benchmarks
- Compare Price Return Index and Total Return Index
- Identify the basics of choosing an appropriate performance benchmark
- Describe the use of market benchmarks to evaluate Equity Fund Performance
- Describe the use of market benchmarks to evaluate Debt Fund Performance
- Describe the use of market benchmarks to evaluate Other Schemes
- Explain Quantitative Measures of Fund Manager Performance

- Define Tracking Error
- Understand the different Sources for disclosure of scheme performance (Scheme documents, AMFI and AMC website and Fund Fact Sheet)

XII. Mutual Fund Scheme Selection

- Explain Scheme Selection based on Investor needs, preferences and risk-profile
- Explain Risk Levels in mutual fund schemes
- Explain Scheme Selection based on investment strategy of Mutual Funds
- Explain Selection of Mutual Fund scheme offered by different AMCs or within the scheme category
- Know about selecting options in mutual fund schemes
- Know about Do's and Don'ts while selecting mutual fund schemes

NISM Exam Study Material

If you want to qualify the NISM Test with good grades and in the first attempt then it is highly necessary to prepare strongly. For this you can take help from the Mutual Fund Mock Test, NISM Books and other material like the News sections. Study material is provided by NISM upon registration for the exam.

Frequently Asked Questions (FAQs):

1. What is the Regulation over Using Electrical Items like a Calculator in the NISM Examination?

Using the calculator or any other electronic item in the NISM examination hall is strictly prohibited.

2. What if a Candidate Fails in the NISM examination? Is there any Refund Policy?

No, there is no procedure for fee refund. But yes, if the exam gets cancelled by the NISM, then a refund will be given to the candidate.

3. How can the fees for nism certification for mutual fund distributors be paid?

The NISM exam fees can easily be paid through online mode by using a debit card, net banking. Exam NISM certification fees can also be submitted through offline mode by using the demand Drafts.

4. Is it Possible to Give the NISM Exam in the Hindi language?

Yes, a prospect can give the examination in the Hindi language. However, the exam will be conducted in offline mode only in case of Hindi.

5. What is the Scope of the NISM certificate?

NISM certificate is essential for the mutual fund distributors to get the ARN number.