Duration : 2.30 Hours Marks : 75

NB: (1) All questions are compulsory having internal option.
(2) Figures to the right indicate marks allotted to each question.
(3) Simple calculator allowed.

1. (A) Match the following columns. **(Any 8)** (08 Marks)

	Column A		Column B
1	PPF	A	Liquidity ratio
2	NIFTY	B	Uncertain & high return
3	Unsystematic Risk	C	William sharpe
4	Standard deviation	D	Elliot wave theory
5	Net Profit ratio	E	Technical Analysis
6	Study of Charts & pattern	F	Profitability ratio
7	Dow Theory	G	Measure of Risk
8	Capital Assets Pricing model	H	Controllable
9	Gambling	I	NSE
10	Current ratio	J	Highly illiquid

1.(B) Give True or False: **(Any 7)** (07 Marks)

1) Investments are made with primary objective of deriving returns.
2) Capital gain refers to increase in value of investments over a period of time.
3) Non - Marketable financial assets can be sold in capital market.
4) Public Provident Fund is a savings cum tax saving instrument in India.
5) Treasury Bills are one of the riskiest Money market instruments issued by Central Government.
6) Commercial Paper is a short term unsecured promissory note issued by Corporate and Financial Institutions.
7) Equity shareholders does not carry right of dividend.
8) Secondary Market is a market where existing securities are purchased and sold.
9) Merger and Acquisitions are major functions of Investment Bankers.
10) NSDL is the largest central security depository based in Mumbai.

2. (A) Explain the Non- marketable Financial Assets. (08 Marks)

2. (B) Explain in brief the objectives of Investment. (07 Marks)

OR

2. As Portfolio Management Consultant, you are approached by Mr. Wagh, aged 35 with investible funds of Rs. 10 lakhs. He wants to know from you the following:

(i) What are the investment avenues available to him which will give a suitable return with maximum return?

(ii) What are the various types of risks? (15 Marks)

3. (A) Calculation of Beta of each of the following two companies with the help of given information.

(08 Marks)

Year	Rudra Ltd	Hethvi Ltd	Market return
1	20	19	20
2	18	16	17
3	17	13	14
4	21	19	20
5	24	23	24

3. (B) The rate of return of stock Mocktail and Cocktail under different status of economy are given below :

Particular	Boom	Normal	Recession
Probability	0.30	0.45	0.25
Return of stock Mocktail (%)	35	55	70
Return of stock Cocktail (%)	70	55	35

a) Calculate the expected return and standard deviation of return on both the stock.
b) If you could invest in either stock Mocktail or stock Cocktail, but not in both. Which stock would you prefer? (07 Marks)

OR

3. Following is information about shares of Modi Ltd. and Gandhi Ltd. Under in various economic conditions. At present both the shares are traded at Rs. 100.

		Expected Price of the shares (Rs.)	
Situation	Probability	Modi Ltd.	Gandhi Ltd.
High Growth	0.30	140	150
Low Growth	0.40	110	100
Stagnation	0.20	120	120
Recession	0.10	100	80

(i) Which company has more risk to invest?

(ii) Mr. Kapil wants to invest Rs. 10,000.

(iii) Will your decision change if probabilities are 0.4, 0.4, 0.1, 0.1 respectively. (15 Marks)

4. (A) Give a brief on Technical Analysis. (08 Marks)
   (B) what are charts? Explain the types of charts. (07 Marks)

OR

4. Following information is available relating to Lokesh Limited and Mayur Limited.

Particulars	Lokesh Limited	Mayur Limited
Equity Share Capital (Rs.10 face value)	Rs.400 lakhs	Rs.500 lakhs
12% Preference Shares	Rs.160 lakhs	Rs. 200 lakhs
Profit after tax	Rs.100 lakhs	Rs.140 lakhs
Proposed Dividend	Rs.70 lakhs	Rs.80 lakhs
Market Price Per Share	Rs.400	Rs.560
Current Assets	Rs.160 lakhs	Rs.180 lakhs
Current Liabilities	Rs.80 lakhs	Rs.90 lakhs

Calculate :

(i) Earnings per share (ii) P/E Ratio (iii) Dividend Payout Ratio (iv) Return on Equity Shares (v) Current Ratio

As an analyst inform the investor which is good in investing. (15 Marks)

5. (A) The Expected return and Beta factors of 3 securities are as follows:

Securities	Expected Return (%)	Beta
Kotak Ltd.	18	1.6
Ganatra Ltd.	10	0.8
Thakkars Ltd.	12	1.2

If the risk free rate is 7 % and market returns are 12 %. Calculate returns for each security under CAPM.

(08 Marks)

5. (B) The details of three portfolios are given below.

Portfolio	Average Return on Portfolio (%)	Beta	Standard Deviation
Nobeta	18	1.4	0.30
Sezuka	12	0.9	0.35
Sunio	16	1.1	0.40
Market Index	14	1.0	0.25

Compare these portfolio on performance using Sharpe and Treynor measures.
Risk Free return is 8 %. (07 Marks)

OR

5. Give short notes on: **(Any Three)** (15 Marks)
1. CAPM Model
2. Elloit Wave Theory
3. Hybrid Schemes
4. Secondary market
5. Sensex

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