Duration: 2½ Hours   Marks: 75

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

1. (A) Select the right option and rewrite the sentence. (Any 8)   (08 Marks)
    i. _____measures the systematic risk.
        a. Beta
        b. Range
        c. Variance
        d. Standard Deviation
    ii. Shares are offered by company before commencement of the business is known as ___.
        a. Initial Public Offering (IPO)
        b. Follow on Public Offer (FPO)
        c. New Fund Offer (NFO)
        d. Private Placement (PP)
    iii. SEBI is formed in the year _____by the Parliament of India.
        a. 1990
        b. 1992
        c. 1980
        d. 1988
    iv. _____securities are called as ownership capital.
        a. Bonds
        b. Equity shares
        c. Debentures
        d. Public deposits
    v. _____is the last step for Portfolio Management.
        a. Identification of objectives
        b. Develop and implement strategies
        c. Review and Monitoring
        d. Evaluation
    vi. The Standard Current Ratio is _____.
        a. 2:1
        b. 1:1
        c. 3:1
        d. 1:2
    vii. Debentures are _____fund.
        a. Own
        b. Debt
        c. Risky
        d. Dividend earning

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viii. The analyst draws _____ chart on graph or Logarithmic paper.
   a. Candlestick
   b. Line
   c. Bar
   d. Trend

ix. _____ is the father of Modern Technical Analysis.
   a. Charles Dow
   b. Adams Smith
   c. Newton
   d. Charlie Chaplin

x. Jensen's measure of portfolio performance is based on the _____.
   a. CAPM
   b. Beta
   c. Standard Deviation
   d. Risk free return

1.(B) Give True or False: (Any 7)   (07 Marks)
   i. Speculators are short term Investors.
   ii. Public Provident Funds are Tax Saving Investments.
   iii. Nifty Index is having 50 stocks.
   iv. Portfolio means combined holding of many kinds of financial securities.
   v. Markowitz approach provides a systematic search for optimal portfolio.
   vi. Gross Profit Margin Ratio is the difference between sales and purchase.
   vii. Diversification is a technique of increasing the risk involved in a portfolio.
   viii. The waves have reverse flow in Bull Market.
   ix. CAPM is the theory developed by the W. Sharpe.
   x. Technical analysis believes that the Investor's sentiments are depend on past movement.

2. (A) Explain the factors influencing on selection of Investment Alternatives. (08 Marks)
   (B) What is online share trading? Give Advantages of Online share trading. (07 Marks)

OR

2. You are a Portfolio Manager Consultant practicing as freelancer. Mr. Singh approached you for his investment planning. His age is 65 years with investible funds of Rs. 8 Crores. He needs guidance in respect of following area. Explain in brief.

   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) Calculate Beta for Apple Ltd.   (08 Marks)

Year	1	2	3	4	5
Security Return (%)	17	16	17	21	24
Market Return (%)	20	17	18	20	25

3. (B) The rate of Return of Stock Meetu Ltd. and Reetu Ltd. under different status of economy are given below:

Particulars	Boom	Normal	Recession
Probability	0.30	0.45	0.25
Return of Stock of Meetu Ltd. (%)	35	50	80
Return of Stock of Reetu Ltd. (%)	75	55	51

Calculate the expected return and standard deviation of return on both the stocks.

(07 Marks)

OR

3. Following is the information about shares of Amar Ltd. and Anthony Ltd. in various economic conditions. Give answers for the questions given below.

Economic Condition	Probability	Expected price of Amar Ltd. (Rs.)	Expected price of Anthony Ltd. (Rs.)
High Growth	0.3	140	150
Low Growth	0.4	110	100
Stagnation	0.2	120	120
Recession	0.1	100	110

a. Which company has more risk to invest?
b. Will your decision change if probabilities are 0.3, 0.2, 0.3, 0.2 respectively?

(15 Marks)

4. (A) Differentiate between Fundamental Analysis and Technical Analysis.   (8 Marks)
   (B) What are Charts? Explain the types of Charts.   (7 Marks)

OR

4. Following information is available relating to Harsh Ltd. And Ketan Ltd.

Particulars	Harsh Ltd. (Rs.)	Ketan Ltd. (Rs.)
Equity Share capital (Rs. 100 face value)	40,00,000	50,00,000
10 % Preference shares	16,00,000	20,00,000
Profit after tax	10,00,000	14,00,000
Proposed Dividend	7,00,000	8,00,000
Market Price per share	140 per share	156 per share

Calculate:
i.   Earning per share
ii.   Price-Earnings Ratio
iii. Dividend Payout Ratio
iv.   Return on Equity shares.
v.   Dividend Yield Ratio.
      Also advise to the Investor, which is good for Investing.   (15 Marks)

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5. (A) The information for three portfolios is given below:

Portfolio	Average Return on Portfolio (%)	Beta	Standard Deviation
Doremon	13	0.8	0.40
Popeye	14	0.9	0.35
Tom	16	1.2	0.25
Market Index	15	1.0	0.30

Compare these portfolios on performance using Sharpe and Treynor Measures. Risk free rate of return is 10%.

(8 Marks)

5.(B) The Expected return and Beta factor of three securities are as follows:

Securities	Expected Return (%)	Beta
Axis Ltd.	18	1.6
Kotak Ltd.	13	1.4
HDFC Ltd.	11	0.8

If the risk-free rate is 7% and market return are 12%. Calculate returns for each security under CAPM. Advise the securities are undervalued or overvalued or at par.

(07 Marks)

OR

5. Give Short Notes on: (Any Three) (15 Marks)
    i. SML and CML
    ii. Asset Allocation
    iii. Speculation and Gambling
    iv. Dow Jones Theory
    v. Sensex & Nifty