Marks: 75 Time: 2 & ½ Hours

Q.1.A. Fill in the blanks Any Eight: (08)

i. ----- is taking risk with an adventure.
ii. Risk and Returns are ------ related to each other.
iii. The minor and infrequent changes in portfolio are ----- strategy.
iv. Commercial Papers are the short term unsecured -----.
v. The ---- is nothing but the loan given by one corporate to other for short duration.
vi. The debentures which are exchanged against the equity shares are ----- debentures.
vii. The debentures which get refund on maturity are called ----- debentures.
viii. The variations in the returns due to the internal individual factors are part of ----- risks.
ix. The comparison of data for three or more years is known as ----- analysis.
x. Higher the risk, higher the -----.

Q.1.B. State whether True or False Any Seven: (07)

i. Money making objective involves maximisation of wealth.
ii. PPF includes the both contribution of both employer and employee.
iii. Blue Chip shares are those whose performance is very poor and declining.
iv. Bulls are those who purchase shares with an anticipation of price rise in future.
v. Credit Rating is compulsory for debentures.
vi. Diversified portfolio reduces unsystematic risk.
vii. Standard Deviation is the root of Variance.
viii. HPR gives yield to maturity.
ix. Equity gets fixed rate of return.
x. An Investor is more interested in Risk Free Returns as his maximum return.

Q.2.A. Define the term Risk and explain its types. (08)

Q.2.B.Explain the various measures of risks. (07)

OR

Q.2.P. Calculate Beta from the following: (08)

Year	Return on Security %	Market Return %
1	10	12
2	12	10
3	13	10
4	10	12
5	8	15
6	11	14
7	16	20
8	12	15
9	18	20
10	20	22

Q.2.Q. The rate of return on stocks X and Y under different states of economy are given as under calculate expected returns and standard deviation to advice: (07)

Conditions	boom	Normal	Recession
Probability	0.35	0.5	0.15
Returns of X %	20	30	40
Returns of Y %	40	30	20

Q.3.A. What are the objectives of Portfolio Management? (08)

Q.3.B. What is balanced portfolio and how it is achieved? (07)

OR

Q.3.P. A bond of Rs. 1000 has a coupon rate of 6% p.a. and maturity period of three years. The bond is currently sold at Rs. 900. Find the present value if it is redeemable at premium of 5% and required rate of return is 15%. (08)

Q.3.Q. Dr. Shah purchased 400 shares of Sundar Ltd. @ Rs. 61 each on 15th October, 2004 and paid brokerage of Rs. 600. He sold entire holdings for Rs. 34500 (Net) on 15th October, 2007. The company paid dividends as June, 2005- Rs. 800, June, 2006 – Rs. 1000 and June 2007 –Rs. 1200. Find HPR and Annualised Return. (07)

Q.4.A. Define Mutual Fund and explain its types. (08)

Q.4.B. Distinguish the Fundamental and Technical Analysis. (07)

OR

Q.4.P. Returns on Ram Ltd. were 11%, 13%, 12% and 10% in the past four years. Returns of Shyam were 12%, 14%, 9% and 10% in last four years. While average market returns were 12%, 14%, 14% and 13% . Returns on government securities are 8%. Calculate Beta factor and expected returns. (08)

Q.4.Q. Evaluate the portfolio from the following information when risk free return is 8% :

Portfolio	Average Returns %	Standard Deviation	Beta
A	14	0.25	1.25
B	10	0.15	1.1
Market	12	0.25	1.2

(07)

Q.5.A. What are the methods of Equity Valuation? (08)

Q.5.B. Explain the various patterns which we get from Technical Analysis. (07)

OR

Q.5.P. Write short note Any Three: (15)

1. Annualised Return 2. Trend Analysis 3. Liquidity Vs. Profitability Approach
4. Elliot Wave Theory 5. Investment Consultancy