



Q.1a) Fill in the blanks (Any 8)	Q.1 b) True or false (Any 7)
1) Units available for sale & repurchase at all time	False
2) Safety of principal	True
3) Act as trustee more than one mutual fund	True
4) At least 40% of the net worth	False
5) Debt / income funds	True
6) Risk profiling	True
7) Long	False
8) July 1, 2015	True
9) Fee	True
10) Valuation date	True

Q.2a) Origin & growth

Definition of mutual fund, Explain the following phases with important events

Phase I (1964-1987) Phase II (1987-1993) Phase III(1993-1996) Phase IV(1996-99)

Phase V (1999-2004)

Q2b) Role of registrar & transfer agents

- 1) To record financial & non financial transactions of investors
- 2) To maintain the accounts of investors for both the purposes of investment and disinvestment
- 3) Have skilled expertise for maintaining data on professional basis, ensuring accuracy
- 4) Provide greater access across the country and help save cost
- 5) To help in processing payouts to investors in the form of dividends and redemption
- 6) Investors can do multiple investments with different fund houses with the help of R & TA
- 7) Help investors with information and details on any new fund offer.

Q.2c) marketable investments. ownership of the mutual fund. professional management, investment objective. trust form. choices to investors, denomination by units

Q2d) need of ethics in mutual fund

Fair business practices. collective investment. protect from malpractices. advertisement, healthy competition. increase consumer base, transparent

Q.3a) Explain exchange traded fund and tax saving schemes with features

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Q.3b) Concept of SIP. Its benefits : power of compounding by investing now, cost averaging, convenience, disciplined investing, reduces risk, works well in volatile markets condition, does not require large sums of money

Q.3c) Distinguish between advisor and distributor

meaning, Eligibility, function, charges, accountability, biased/ unbiased advise, relation with fund houses.

Q.3d) Closing Units

$$\begin{aligned} & (\text{Op. units} + \text{Subscribed Units}) - \text{Redeemed Units} \\ & (10000 \text{ Nos} + 4000 \text{ Units}) - 2000 \text{ Nos.} \end{aligned}$$

$$\begin{aligned} & = 14000 \text{ Nos} - 2000 \text{ Nos} \\ & = 12000 \text{ Nos.} \end{aligned}$$

NAV Calculation

$$\frac{(\text{Op. NAV} \times \text{Op. Units}) + \text{Appreciation} + \text{Net Proceeds} + \text{Dividends} - \text{Expenses}}{\text{Closing Units}}$$

$$\begin{aligned} & = \frac{(\text{₹}16.6720 \times 10000 \text{ Nos}) + \text{₹}16000 + (\text{₹}16.6720 \times 2000 \text{ Nos}) + \text{₹}3000 - \text{₹}900}{12000 \text{ Nos.}} \\ & = \frac{\text{₹}218164}{12000 \text{ Nos}} = \text{₹}18.1803 \end{aligned}$$

Q.4a) Documents, Management characteristics, fund manager, regulatory compliance, ongoing review and monitoring

Q.4b) Criteria for selecting funds

Identify investment goals, risk tolerance, past performance and consistency, investment objectives, asset management charges, portfolio turnover ratio. Asset management company's team

Q.4c) Concept of YTM, importance, formula

Q.4d) Meaning of bond valuation. Its process : 1) estimate the cash flows 2) determine the appropriate discount rate 3) calculate the present value of the estimated cash flows.

Q.5a) Explain financial planning. Objectives

1) Determine capital requirement 2) determine capital structure 3) framing financial policies 4) optimum utilization of scarce financial resources.

Q.5b) Explain model port folio. Steps

1) Define Financial needs 2) understanding the available investment products (Risk, return, liquidity and maturity profile 3) Asset allocation 4) Suggesting suitable investment opportunities with each Asset category.

Q.5) Short notes(Any three)

Brief introduction/ concept/ definition (1 marks), relevant points (4 marks)