

Please check whether you have got the right question paper.

N.B: 1. Question.No.1 is compulsory.

Q.1 A] Multiple choice Question

1. _____ is a Economical investment
 - a) Machinery
 - b) Shares
 - c) Home
 - d) CCTV
2. _____ is an element of instrument
 - a) Money
 - b) Plant
 - c) Return
 - d) Furniture
3. _____ is a speculator who expects decline in price
 - a) Bull
 - b) Bear
 - c) Stag
 - d) Deer
4. CD stands for _____ in security market.
 - a) Curriculum Development
 - b) Certificate of Deposits
 - c) Cover Development
 - d) Cash Delivery
5. Present Value is calculated on the base of _____ from future value.
 - a) Compounding
 - b) Discovering Factor
 - c) Rate
 - d) Price
6. Risk is possibility of _____.
 - a) Loss
 - b) Profit
 - c) No Profit No loss
 - d) None of the above.
7. Holding period Return = $\frac{\text{_____}}{\text{Investment}} \times 100$
 - a) Profit
 - b) Loss
 - c) Sale price
 - d) None of the above.
8. Current Ratio = $\frac{\text{Current Assets}}{\text{_____}}$
 - a) Liability
 - b) Current Liability
 - c) Liquid Liability
 - d) None of the above

(08)

B] State whether true or False

1. Bar chart is modified version of candle stic chart.
2. Speculation brings stable return.
3. Arbitrage is a long term investment.
4. Speculation is similar to investment.
5. SENSEX has 50 stocks.
6. A merchant Backer is a broker.
7. Book Building means a price Index.

(07)

Q.2 A] What is investment? How it is different from speculation.

(08)

B] Explain different objectives of Investment.

(07)

OR

Q.2 A] Explain powers of SEBI.

(08)

B] Explain benefits of BSE.

(07)

Q.3 A] H Limited paid a dividend of Rs.10 per share. The growth rate expected is 18% and cost of capital is 28%. Calculate intrinsic value of share.

B] A Government of India (GOI) Bond of Rs.1, 000 each has a coupon rate of 7% p.a. The maturity period is 10 years. Purchase price is Rs.1, 040. Find YTM.

(08)

OR

- Q.3** A) XYZ & Co. is considering investing in a project requiring capital outlay of Rs.2, 00,000. Forecast of annual Income after Tax is a follows: **(08)**

Year	PAT
1	1,00,000
2	1,00,000
3	80,000
4	80,000
5	40,000

Rate of depreciation is 20% on straight line basis. Considering 14% discounting factor advice XYZ Ltd regarding Investment.

- B) Rate of Return on stock X & Y are as below **(07)**

Nature	Boom	Normal	Recurring
Probability of occurrences	0.35	0.50	0.15
Return on Stock X	20	30	40
Return on Stock Y	40	30	20

Calculate expected Return & standard deviation.

- Q.4** The capital of Gayatri Ltd. Consist of Equity Shares@10 each Rs.16, 00,000, 9% preference Shares of Rs.10 each Rs.6, 00,000. The Net Profit after Tax is Rs.5, 40,000. Equity Dividend is 20% and Market Price per equity share is Rs.80. Calculate **(15)**

- Dividend Yield
- Preference Dividend Cover
- Equity Dividend Cover
- Earnings Per Share
- Price Earnings Ratio

OR

- Q.4** A) Distinguish between Technical Analysis and Fundamental Analysis. **(08)**
 B) Explain Financial Ratio and benefits. **(07)**

- Q.5** A) Discuss Capital Market Line with diagram **(08)**
 B) State the relationship between Return and Risk. **(07)**

OR

- Q.5** Compute Beta and Expected Return. $R_f = 9\%$ **(15)**

Year	Returns		
	Kapil Ltd. %	Durgesh Ltd. %	Market %
1	20	16	14
2	22	18	16
3	20	20	18
4	18	24	12