

(2 ½ Hours)

Total Marks: 75

- Note: (1) All questions are compulsory.**
(2) Figures to the right indicate full marks.

Q. (1) (A) Choose the correct answer from the given alternatives (Any 8) (8)

- a) _____ would probably have the lowest risk.
i) Thematic funds ii) Sector funds iii) Equity funds
- b) The susceptibility of a mutual fund's performance to general stock market condition is known as _____.
i) Interest rate risk ii) Market risk iii) corporate risk
- c) _____ = Total Assets – Total Liabilities.
i) Interest rate ii) Inflation iii) Net Asset Value
- d) Index funds are _____ managed compared to other funds.
i) Passively ii) Actively iii) Aggressively
- e) From the given below investing in _____ will typically give the least diversification.
i) Growth funds ii) Sector funds iii) Equity funds
- f) Gilt funds invest only in _____ securities.
i) Corporate ii) Government iii) Both i) and ii)
- g) When a global financial forecast calls for recession in foreign countries, an investor should consider investing in _____.
i) A global fund ii) an international fund iii) a domestic large cap fund
- h) An open ended mutual fund generally do all of the following except _____.
i) Sell units directly to investor ii) Listing its unit on stock exchange
iii) Repurchase units from investors
- i) _____ maintains record of unit holder's account and transactions.
i) Sponsor ii) Trustee iii) Registrar & Transfer Agent
- j) _____ risk can be reduced by diversification.
i) Unsystematic ii) Market iii) Systematic

Q. (1) (B) State whether following statements are True or False. (Any 7) (7)

- a) The main advantage of investing in mutual funds are diversification and professional management.
- b) Custodian safeguards securities of mutual fund.
- c) AMC should be registered with SEBI.
- d) ELSS schemes provide tax benefits.
- e) SIP help investor to do rupee cost averaging.
- f) On an average, mutual funds have an expense ratio of about 3 %.
- g) A gilt fund invests in AAA rated securities only.
- h) Open ended funds have maturity date.
- i) Expense ratio = Expenses / Average Weekly Net Assets.
- j) Balanced funds contain both growth stocks and stocks that pay high dividends.

- Q. (2) (A) Describe the merits and demerits of Mutual fund investment. (8)
 Q. (2) (B) Explain the role of Sponsor and AMC in Mutual fund briefly. (7)

OR

- Q. (2) (C) Describe AMFI code of ethics in brief any four. (8)
 Q. (2) (D) What are Debt funds? Explain its types. (7)

- Q. (3) A) What are Equity funds? Explain its features. (8)
 Q. (3) B) Explain in detail Gold ETF. (7)

OR

- Q. (3) C) What are Active funds and Passive funds? (8)
 Q. (3) D) Explain in detail NAV and Expense Ratio. (7)

- Q. (4) A) Calculate Holding Period Return & Annualized Return. (8)

	L&T Fund	Canara Fund
NAV as on 1/04/2016	1200	600
NAV as on 31/03/2019	1400	750
Dividend for the period	100	30

- Q. (4) B) Calculate CAGR for following two funds. (7)

	Fund A	Fund B
NAV as on 01/10/2014	150	350
NAV as on 01/10/2016	200	450

OR

- Q. (4) C) Find Sharpe ratio & Treynor ratio & suggest which fund is better. (8)

Mutual Funds	Returns %	Beta	Standard Deviation
Axis Mutual Fund	10	1.2	7%
Franklin Templeton Mutual Fund	12	0.8	5%

The Risk free return is 4%

- Q. (4) D) Calculate closing units and closing NAV (7)

Opening NAV = Rs. 18/- Outstanding units = 75,000
 Appreciation in portfolio = Rs.10,000/-
 Units Subscribed = 3,000 Units Redeemed = 1,200
 Dividend received = Rs.1,000/- Expenses = Rs. 850/-
 Assume Sales and Repurchase NAV = Rs. 20/-

- Q. (5) A) Define Mutual Funds. Explain its features. (8)
 Q. (5) B) What are the different measurements of Risk? (7)

OR

- Q. (5) C) Write Short Notes (Any 3) (15)

1. SWP
2. Dividend Stripping
3. Thematic funds and Sector Funds
4. AMFI Objectives
5. Valuation of Debt securities
