

Duration: 2.30 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) Match the columns and rewrite the sentence. (Any 8) (08 Marks)

| | Group - I | | Group - II |
|-------|---------------------------|----|---------------------------|
| i. | Equity share | a. | Controllable |
| ii. | Mutual Fund valuation | b. | Modern Portfolio Theory |
| iii. | Debenture | c. | Reducing the risk of loss |
| iv. | Post Office Saving Scheme | d. | Time factor |
| v. | Systematic Risk | e. | Own Fund |
| vi. | Expected Return | f. | NAV (Net Asset Value) |
| vii. | Unsystematic Risk | g. | Debt Funds |
| viii. | Risk-return trade-off | h. | Tax Saving Investment |
| ix. | Diversification | i. | Uncontrollable |
| x. | Portfolio revision | j. | Probability |

1. (B) Give True or False: (Any 7) (07 Marks)

- The maximum deduction which can be claimed under section 80C is Rs. 1,50,000.
- India is the highest consumer of gold in the world.
- The maximum maturity of Treasury bill is 3 years.
- Stock Market Index is the method of showing the overall performance of all the companies listed in Stock market with a single number.
- NIFTY is the stock market Index of India's Bombay Stock Exchange.
- SML is a linear relationship between expected return and systematic risk.
- The Dow Theory consist of 3 types of market movement.
- An Oscillator is a technical analysis tool.
- The RSI was developed by J. Welles Wilder.
- Charting helps to analyse and interpret the price trends of an underlying.

2. (A) What are the factors influencing for the selection of Investment Alternatives.

Explain in brief.

(08 Marks)

(B) Explain the types of Investors.

(07 Marks)

OR

2. (C) The security return on stock of Multi Ltd. and Metal Ltd. under different status of economy are given below:

| Particulars | Boom | Low Growth | Stagnation | Recession |
|-----------------------------------|------|------------|------------|-----------|
| Probability | 0.35 | 0.25 | 0.20 | 0.20 |
| Return on stock of Multi Ltd. (%) | 50 | 45 | 30 | 25 |
| Return on stock of Metal Ltd. (%) | 45 | 50 | 40 | 30 |

Calculate the expected return and standard deviation of return on both the stocks and advise to invest in one of them. (08 Marks)

2. (D) The security return of Koo Ltd. and market returns are given below:

| Particulars | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------------------------------|----|----|----|----|----|----|----|
| Return on security of Koo Ltd. (%) | 10 | 13 | 15 | 14 | 15 | 18 | 20 |
| Market Return (%) | 14 | 16 | 18 | 20 | 22 | 24 | 26 |

Calculate Beta on security of Koo Ltd. (07 Marks)

3. (A) Distinguish between Fundamental Analysis and Technical Analysis. (08 Marks)

3. (B) Give a brief note on Systematic Risk and Unsystematic Risk. (07 Marks)

OR

3. The Balance Sheet of Livspace Pvt. Ltd. as on 31st March 2023 was as under:

| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|--|------------------|----------------------|------------------|
| 6,000 Equity Shares of Rs. 100 each fully paid | 6,00,000 | Fixed Assets | 8,70,000 |
| 10 % Preference shares | 3,00,000 | Investments | 2,00,000 |
| General Reserve | 1,80,000 | Inventories | 1,80,000 |
| 9 % Debentures | 2,50,000 | Debtors | 1,75,000 |
| Bank Overdraft | 90,000 | Cash & Bank | 45,000 |
| Sundry Creditors | 85,000 | Advance Salary | 40,000 |
| Outstanding Expenses | 55,000 | Preliminary Expenses | 50,000 |
| Total → | 15,60,000 | Total → | 15,60,000 |

Market Price per Share

Rs. 230

Dividend per share

Rs. 20

Calculate:

- Liquid Ratio
- Earnings Per Share
- Price-Earnings Ratio
- Dividend Pay-out Ratio
- Dividend Yield Ratio

(15 Marks)

OR

4. (A) Define Portfolio Management. Explain the steps in the process of Portfolio Management. (8 Marks)

(B) Explain Elliott Wave Theory in Brief. (7 Marks)

OR

4.(C) The information for three portfolios is given below:

| Portfolio | Average Return on Portfolio (%) | Beta | Standard Deviation |
|-----------------------|---------------------------------|------|--------------------|
| Pen India Ltd. | 18 | 0.9 | 0.48 |
| Balaji Telefilms Ltd. | 19 | 1.4 | 0.38 |
| Warner Bros. | 22 | 1.1 | 0.28 |
| Market Index | 24 | 1.0 | 0.32 |

Compare these portfolios on performance using Sharpe and Treynor Measures. Risk free rate of return is 8%.
(08 Marks)

4.(D) The following information the securities are as follows:

| Securities | Expected Return (%) | Beta |
|----------------|---------------------|------|
| Godrej Interio | 22 | 1.5 |
| Durian | 21 | 1.2 |
| Nilkamal Ltd. | 23 | 0.8 |
| Market Return | 24 | 1.0 |

If the risk-free rate is 7%. Calculate returns for each security under CAPM. Identify the securities are undervalued or overvalued or at par and advise to Invest.
(07 Marks)

5. Dr. Vinod Raina, aged 62 years a Practicing Senior Doctor. He is having Rs. 1,50,00,000 investible fund.

- Advise him for Investment avenues available to him which will give maximum return?
- Explain the advantages and disadvantages by investing in the specific avenues.

(15 Marks)

OR

5. Give Short Notes on: (Any Three)

(15 Marks)

- Small Cap and Large cap
- NSDL and CDSL
- Portfolio Management Decision
- Technical Analysis
- The Random Walk Theory
