25/10/24

Lidb

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) Select the right option and rewrite the sentence. **(Any 8)** (08 Marks)

i. ____________measures the systematic risk.
   a. Beta
   b. Range
   c. Variance
   d. Standard Deviation

ii. Shares are offered by company before commencement of the business is known as ___.
   a. Initial Public Offering (IPO)
   b. Follow on Public Offer (FPO)
   c. New Fund Offer (NFO)
   d. Private Placement (PP)

iii. SEBI is formed in the year ____________ by the Parliament of India.
   a. 1990
   b. 1992
   c. 1980
   d. 1988

iv. ___________securities are called as ownership capital.
   a. Bonds
   b. Equity shares
   c. Debentures
   d. Public deposits

v. ______________is the last step for Portfolio Management.
   a. Identification of objectives
   b. Develop and implement strategies
   c. Review and Monitoring
   d. Evaluation

vi. The Standard Current Ratio is __________.
   a. 2:1
   b. 1:1
   c. 3:1
   d. 1:2

vii. Debentures are ____________ fund.
   a. Own
   b. Debt
   c. Risky
   d. Dividend earning

viii. The analyst draws ______ chart on graph or Logarithmic paper.
   a. Candlestick
   b. Line
   c. Bar
   d. Trend

ix. ___________is the father of Modern Technical Analysis.
   a. Charles Dow
   b. Adams Smith
   c. Newton
   d. Charlie Chaplin

x. Jensen's measure of portfolio performance is based on the ______.
   a. CAPM
   b. Beta
   c. Standard Deviation
   d. Risk free return

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

i. An over price – priced stock will plot on below the security market line.
ii. The maximum deduction which can be claimed under section 80 C is Rs.1,50,000
iii. India is the highest consumer of gold in the world.
iv. The Dow Theory consists of 3 types of market movement.
v. An Oscillator is a technical analysis tool.
vi. The maximum deduction which can be claimed under section 80C is Rs. 1,50,000.
vii. India is the highest consumer of gold in the world.
viii. The maximum maturity of Treasury bill is 3 years.
ix. Stock Market Index is the method of showing the overall performance of all the companies listed in Stock market with a single number.
x. NIFTY is the stock market Index of India's Bombay Stock Exchange.

2. (A) What are the factors influencing for the selection of Investment Alternatives. Explain in brief. (08 Marks)
(B) Explain the types of Investors with their qualities. (07 Marks)

OR

2. (C) The security return on stock of Dr. Reddy's Lab. and Alkem Lab. under different status of economy are given below:

Particulars	Boom	Low Growth	Stagnation	Recession
Probability	0.30	0.20	0.30	0.20
Return on stock of Dr. Reddy's Lab. (%)	50	45	30	25
Return on stock of Alkem Lab. (%)	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 Bawa Shoe Ltd. and market returns are given below:

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

Calculate Beta on security of Bawa Shoe 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 L&T Realty Ltd. as on 31st March 2023 was as under: (15 Marks)

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**

Profit after Tax	Rs. 4,00,000
Market Price per Share	Rs. 230
Dividend per share	Rs. 30

Calculate:

i. Liquid Ratio
ii. Earnings Per Share
iii. Price-Earnings Ratio
iv. Dividend Pay-out Ratio
v. Debt Equity Ratio

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 of Garments Industries are given below:

Portfolio	Average Return on Portfolio (%)	Beta	Standard Deviation
Welspun	18	0.9	0.48
Sutlej	19	1.4	0.38
Raymond	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
Archies	22	1.5
Faber Castell	21	1.2
DOMS	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. Adv. Hari, aged 62 years a Practicing Senior Doctor. He is having Rs. 1,50,00,000 investible fund.

   (a) Advise him for Investment avenues available to him which will give a suitable return with maximum return?

   (b) Explain the advantages and disadvantages by investing in the specific avenues. (15 Marks)

OR

5. Give Short Notes on: **(Any Three)** (15 Marks)

   i. Small Cap and Large cap
   ii. NSDL and CDSL
   iii. Portfolio Management Decision
   iv. Technical Analysis
   v. The Random Walk Theory

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