

Duration: 2 ½ 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. _____ doesn't try to go for the biggest possible gains at all times.
 - a. Active Investor
 - b. Passive Investor
 - c. Speculator
 - d. Retirement Investor
- ii. A _____ is a professionally managed income scheme.
 - a. Equity Stock
 - b. Mutual Fund
 - c. Gold
 - d. Real Estate
- iii. SEBI Act was passed in the year _____ by the Parliament of India.
 - a. 1990
 - b. 1992
 - c. 1980
 - d. 1988
- iv. The periodic payment on Bond is called _____ earning.
 - a. Interest rate
 - b. Coupon rate
 - c. Dividend rate
 - d. Required rate of return
- v. _____ is the first step for Portfolio Management.
 - a. Identification of objectives
 - b. Develop and implement strategies
 - c. Review and Monitoring
 - d. Evaluation
- vi. The Standard Quick Ratio is _____.
 - a. 2:1
 - b. 1:1
 - c. 3:1
 - d. 1:2
- vii. Bank Loans are _____ fund.
 - a. Own
 - b. Debt
 - c. Risky
 - d. Dividend earning

- viii. _____ Charts help to identify the turning points to decide buy or sell the stock.
- Head and Shoulder
 - Triangles
 - Pennants
 - Wedges
- ix. The Efficient Market Hypothesis is also called as _____.
- Dow Jones Theory
 - Elliot Wave Theory
 - Random Walk Theory
 - Newton Theory
- x. Sharpe's measure of portfolio performance is based on the _____.
- CAPM
 - Beta
 - Standard Deviation
 - Risk free return

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

(07 Marks)

- Hedgers are long term Investors.
- Life Insurance premium is not Tax Saving Investments.
- Sensex Index is having 50 stocks.
- Online trading account investors have access to their accounts 24/7.
- Large Cap Stocks are of usually large and well – established companies have strong market presence.
- Dynamic Asset Allocation is constantly adjusted the mix of assets as markets rise or fall.
- The standard Proprietary ratio is more than 65 %.
- SML represent the movement of one security.
- CAPM is the theory developed by the W. Sharpe.
- Dow Jones Theory consists three types of Market Movement.

2. (A) Differentiate between Investment and Speculation.

(08 Marks)

(B) What are the functions of Investment Bank? Explain in brief.

(07 Marks)

OR

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

Particulars	Boom	Low Growth	Stagnation	Recession
Probability	0.40	0.20	0.20	0.20
Return on stock of Dabur Ltd. (%)	40	35	20	15
Return on stock of Emami Ltd. (%)	35	40	20	20

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 Nykaa Ltd. and market return are below:

Particulars	1	2	3	4	5	6	7
Return on security of Nykaa Ltd. (%)	12	14	15	18	20	22	25
Market Return (%)	14	15	18	20	22	24	27

Calculate Beta on security of Nykaa Ltd. **(07 Marks)**

- 3.(A) Define Portfolio Management. Explain the steps in the process of Portfolio Management. **(08 Marks)**
 3.(B) Give a brief note on Fundamental Analysis. **(07 Marks)**

OR

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

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
50,000 Equity Shares of Rs. 10 each fully paid	5,00,000	Fixed Assets	7,70,000
8 % Preference shares	2,00,000	Investments	1,00,000
General Reserve	80,000	Inventories	80,000
10 % Debentures	1,50,000	Debtors	75,000
Bank Overdraft	70,000	Cash & Bank	25,000
Sundry Creditors	65,000	Advance Salary	20,000
Outstanding Expenses	35,000	Preliminary Expenses	30,000
Total →	11,00,000	Total →	11,00,000

Market Price per Share

Rs. 28

Dividend per share

Rs. 2

Profit After Tax

Rs. 4,80,000

Calculate:

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

(15 Marks)

4.(A) Explain the charting as a technical tool.

(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
Amazon	23	0.92	0.45
Flipkart	18	1.45	0.35
Myntra	21	1.12	0.25
Market Index	22	1.0	0.30

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
Orange Ltd.	18	1.25
Apple Ltd.	20	1.92
Pepper Ltd.	19	0.83
Market Return	22	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. Fali Nariman, aged 62 years a Practicing Advocate. He is having Rs. 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. Write Short Notes on: (Any Three)

(15 Marks)

- Gambling
- Depository Settlement
- Portfolio Strategy Mix
- Charting Techniques
- Dow Jones Theory
