

NOTE: Attempt all the questions.

1. A. Explain the types of Risk. (8)
 B. Write a Note on Beta. (7)

(Or)

- A. What is meant by Diversification of Risk? Why it is needed in Investment ? (8)
 B. Explain the popularity of Equity Investment in India. (7)

2. A. Explain the types of Investment Valuation. (8)
 B. Write a detailed note on Value of Money. (7)

(Or)

- C. Explain Bonds. How to Invest in Bonds ? (8)
 D. Explain the various services provided by Mutual Fund ,to the Investor. (7)

- A. Ajay deposits Rs. 20,000/- with a Bank. The bank pays 15% interest compounded annually for a period of 4 years. How much amount he would get at maturity ? (8)

- B. Find out Expected Returns for the following : (7)

Probability Returns.

0.4	25%
0.3	15%
0.3	10%

(Or)

- C. A GOI Bond's face value is Rs.1,000/-, Coupon Rate is 8% per annum. Maturity period is 15 years. Current market price is Rs.1050/-. Find YTM for the Bond. (8)

- D. Calculate Beta for the following : (7)

<u>Year</u>	<u>Returns on security %</u>	<u>Market returns %</u>
1	10	15
2	15	17
3	13	14
4	12	13

- A. Explain different types of financial Ratios. (8)

- B. The following data relates to ABC Co.Ltd., for the year 2006 and 2007 (Rs. in lakhs). (7)

<u>Particulars</u>	<u>2006</u>	<u>2007</u>
Sales	60	56
Cost of goods sold	50	47
Profit	10	09
Capital	40	43

You are required to calculate..

- i. Return on sales.
 ii. Capital Turnover.
 iii. Return on Investment. (Or)

...2/-

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★ Code: VCD-101012 ★ Std.: FYFM [2]

★ Sub.: PRINCIPLES OF INVESTMENTS.

(OR)

From the following Balance Sheet, you are required to comment upon the short term and long term solvency of the company. (15)

Balance Sheet as on 31.03.2010.

Liabilities	Rs.	Assets	Rs.
Share capital	6,00,000	Fixed assets	6,00,000
Debentures	3,00,000	<u>Current assets</u>	
Current liabilities	3,00,000	Debtors	3,00,000
		Cash at Bank	2,00,000
		Stock	1,00,000
	<u>12,00,000</u>		<u>12,00,000</u>

You are required to calculate

- i. Current Ratio.
- ii. Liquid Ratio.
- iii. Debt Equity Ratio.
- iv. Fixed Assets Ratio.

-X-X-X-X-