QP Code : 15728

(2½ Hours) [Total Marks : 75

N.B. : (1) **Attempt all the question**
(2) **Figures** to the right indicate **full marks**

1. (a) Explain the different types of Risk briefly   8
   (b) What is Market Risk ? Explain various component of Market Risk.   7

OR

   (a) What is Credit Risk ? Explain the components of Credit Risk.   8
   (b) Write a short note on Liquidity Risk   7

2. (a) Explain the catagories of Real Estate as one of the financial Assets.   8
   (b) What are Hedge Funds ? Explain the characteristic of Hedge Funds.   7

OR

2. (a) Explain the factors of sensitivity of option premium   8
   (b) Explain three forms Efficient Market Hypothesis   7

3. (a) Explain various types of Derivatives briefly   8
   (b) Explain Fundamental Analysis as one of the Investment Analysis   7

OR

3. (a) Explain various Hedging strategies   8
   (b) Explain Long Hedging and Short Hedging   7

4. (a) Following is the Investment details of Mr. A. Calculate gain or loss based on   15
   his positions.
   1.11.2010 Purchased 1000 shares of XYZ Ltd., at Rs. 150/- per share.
   To hedge Risk he sold 10 future contract
   (1 contract = 100 shares) in future market, at Rs. 160/- per share..
   On 25th November 2010, Company declared its closing Rate as Rs. 120/=.
   Future contract are of November Expiry.

OR

4. (b) The shares of ABC & PRQ are expected to provide the following Returns in   15
   different situations.

Situations	Probability	ABC Ltd., Returns %	PQR Ltd., Returns %
Recession	.2	15%	18%
Boom	.5	25%	28%
Recovery	.3	22%	20%

Calculate standard Deviation and Expected Rate of Return for Both the

stocks.

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5. Write short notes on (**any three**) :–
    (a) Security Market Line (SML)
    (b) Bond Duration
    (c) Beta
    (d) Basel Norms
    (e) Inflation Risk