

Q.P. Code :00446**[Time: 2:30 Hours]****[Marks:75]**

Please check whether you have got the right question paper.

N.B: 1. Question.No.1 is compulsory.

- Q.1 A] State True or False (08)**
- Fundamental analysis believes that stock movement is 10% psychological and 90% logical.
 - Joint stock company stock financing is done by issuing shares.
 - Nifty's base period is 1995.
 - Net worth means equity capital + reserves and surplus.
 - The relationship between stocks, returns & market index structures is called beta.
 - Purchasing power risk is part of systematic risk.
 - A no growth company will have 100% payout ratio.
 - The object of portfolio is to reduce uncertainties by diversifications.

- Q.1 B] Match the following columns (07)**

	Group A		Group B
1.	Instrument	A.	Possibility of loss
2.	Risk	B.	Return
3.	Ready delivery	C.	Future date
4.	Forward delivery	D.	Fixed time
5.	SEBI	E.	treasury Bills
6.	Government securities	F.	1988
7.	Return	G.	Profit on Goods
		H.	Profit on Capital invested

- Q.2 A] Explain any 5 investment alternatives. (08)**
B] Explain objective of investment. (07)

OR

- Q.2 A] Explain objective of SEBI. (08)**
B] Explain benefit of NSE to investors. (07)

- Q.3 A] Yuvraj Ltd. Has offered a scheme of investment when a person investing Rs.4, 000 presently is entitled to returns of Rs.1, 000, Rs.1, 500, Rs.1, 200, Rs.1, 100 & Rs.400 in next five years. The indicated rate of return is 10% p.a. Advise whether the investment is profitable. (08)**

- B] Sakshi Ltd. Paid Rs. 2.50 as dividend per share on its equity shares for the year ended 31st march 2017. Dividend are expected to grow at 10% p.a. The incurent market price of share is Rs. 20. (07)**
- Calculate expected Return?
 - If required rate of return is 12%. What would be the value of stock?
 - Is it worth investing in the shares.

OR

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- Q.3 A]** Dr. Shah purchased 400 shares of Sundan Ltd. @ 61 each on 15th October 2013. He paid brokerage of Rs.600. The company paid following dividends. **(08)**

June 2014 Rs. 800

June 2015 Rs. 1000

June 2016 Rs. 1,200.

He sold all his holding for Rs.34,500 (net) on 15th Oct 2016

1. What is holding period return?
2. What is Annualized return?
3. Is Mr. Shah a good investor?

- B]** A bond of 1,000 has a coupon rate of 8% p.a. and maturity period 3 years. The bond is currently selling at Rs.910/- What is yield to maturity in investment of the bond. **(07)**

- Q.4** The capital of Rohit Ltd consist of Equity shares@10 each Rs.8, 00,000. 9% preference shares of Rs.10 each 3, 00,000. The Net profit after Tax is 2, 70,000. Equity dividend is 20% and market price per equity share is Rs.40. You are required to calculate following ratio. **(15)**

- Dividend yield
- Preference Dividend Cover
- Equity Dividend Cover
- Earning per Share
- Price Earning Ratio

OR

- Q.4 A]** Distinguish between fundamental Analysis & Technical Analysis. **(08)**
- B]** What is financial Ratio? Explain benefits. **(07)**

- Q.5 A]** Discuss capital market line [CML] with diagram. **(08)**
- B]** "Investors always concern regarding risk" comment in detail. **(07)**

OR

- Q.5** Compute the beta factor & expected Return using CAPM for Kapil Ltd. & Tendulkar Ltd. **(15)**
- Considering return on government securities 9%.

Year	Kapil Ltd	Tendulkar Ltd	Market
1	20	16	14
2	22	18	16
3	20	20	18
4	18	18	12