

Q.1. A) Give true or false. (Any 8)

(08)

1. Gambling does not involve very high risk.
2. The primary purpose of investment is to gain.
3. Maximize return should be the objective of an investor.
4. Liquidity means marketability of an investment.
5. While calculating compound interest, interest on interest amount is also considered.
6. EMI stands for equated monthly Installments.
7. NPV stands for net present value.
8. Risk & Return are related with each other.
9. Inflation Risk is a Market Risk.
10. Debt Fund is fixed Income Securities.

B) Match the column. (Any 7)

(07)

Column A**Column B**

- | | |
|------------------------|--------------------------------------|
| 1. CAGR | a) Time value of money |
| 2. Currency Risk | b) $\frac{P \times N \times R}{100}$ |
| 3. Sole Proprietorship | c) Income- consumptions |
| 4. Equity Shares | d) Precious metal |
| 5. EMI | e) Assets mix |
| 6. Assets Allocation | f) Housing loan |
| 7. Gold | g) Fluctuating Income |
| 8. Savings | h) Individual |
| 9. Simple Interest | i) Exchange Rate Risk |
| 10. Net Present Value | j) Compounded Annual Rate of Return |

Q.2. A) Distinguish between savings & investments.

(08)

B) Explain the investment objectives.

(07)

OR

C) What are the various assets classes?

(08)

D) What are the factors determine interest rate?

(07)

Q.3. A) Mahadev purchased 100 shares of Parvati Ltd. @Rs.50 each on 1/1/2015. (08)

He paid Rs.300 as brokerage at that time. The company paid the following dividends.

Year	Dividend
2015	Rs.2,000
2016	Rs.3,000
2017	Rs.5,000

He sold all his holding on 31/12/2017 at Rs.70 per share. He paid Rs.500 as brokerage at that time.

Calculating holding period return and annualized return.

B) Calculate Net present value @10% discount rate.

(07)

Year	0	1	2	3	4
Cash Flow	10,000	5,000	6,000	7,000	8,000

OR

Q What is cash inflow and cash outflow. (08)

D) What is Income & Expenditure A/c. (07)

Q.4. A) The following information is available in respect of 2 companies namely. (15)

Particulars	A Ltd	B Ltd
Equity share capital of Rs.10 each	8,00,000	10,00,000
12% pref. share capital	1,00,000	2,00,000
Profit before tax	4,00,000	6,00,000
Tax rate	30%	30%
Dividend per share	Rs.3	Rs.2
Market price per share	Rs.150	Rs.120

You are required to calculate.

1. Earning per share
2. P/E Ratio
3. Dividend payout Ratio
4. Return on Investment

OR

Q.4. B) Simple interest on a certain sum for 4 years at 7% p.a. is more than simple interest on the same for 2.5 years at the same rate by Rs.840. find the principal amount. (08)

C) An amount of Rs.15000 is invested at 8% p.a. compounded annually calculate the maturity amount after 3 years. (07)

Q.5. A) What is debt management? What are its purposes? (08)

B) What are the attributes of various asset classes? (07)

OR

Q.5. Short notes (Any 3) (15)

- a) Consumer Loans
- b) Refinancing
- c) Hire Purchases
- d) EMI
- e) Leasing
