

Note: All questions are compulsory.

All questions carry equal marks.

Use of simple calculator is allowed.

Q1. Attempt any two from the following.

(7.5*2)

- Describe features of Equity Shares.
- Describe briefly instruments in organized Money Market.
- Briefly describe reasons of growth of equity market in India.

Q2. Attempt any two from the following.

(7.5*2)

- Describe primary market & its features.
- Describe methods of IPO.
- Describe services offered by Merchant Bankers.

Q3. Attempt any two from the following.

(7.5*2)

- Describe types of government securities.
- Describe features of Bonds.
- Briefly describe types of bonds.

Q4. Attempt any two from the following.

(7.5*2)

- Following is the Balance Sheet of XYZ Ltd. As on 31st mar.2015.

Liabilities	Rs.	Assets	Rs.
Equity share @ rs.10 each	2,00,000	Land & Building	36,000
Creditors	42,040	Plant & Machinery	54,000
		Furniture	30,000
		Stock	26,850
		Debtors	19,200
		Bank	75,990
	2,42,040		2,42,040

Calculate Book value per share.

b) A firm had paid dividend at RS.2 per share last year. The estimated growth of the dividend from the company is estimated to be 5%. Required rate of return of equity investors is 15.5%. Determine price of equity share if the growth rate of dividend

1) Rises to 8%.

2) Falls to 3%.

c) A Bond of rs.1000 has a coupon rate of 6% per annum & maturity period of 3 years. The bond is currently selling at rs.900. What is Yield to maturity in the investment of this Bond?

(15)

Q5. Case Study

Established in 1875, BSE (formerly known as Bombay Stock Exchange Ltd.), is Asia's first & the Fastest Stock Exchange in world with the speed of 6 micro seconds and one of India's leading exchange groups. Over the past 140 years, BSE has facilitated the growth of the Indian corporate sector by providing it an efficient capital-raising platform. Popularly known as BSE, the bourse was established as "The Native Share & Stock Brokers' Association" in 1875. BSE is a corporatized and demutualised entity, with a broad shareholder-base which includes two leading global exchanges, Deutsche Bourse and Singapore Exchange as strategic partners. BSE provides an efficient and transparent market for trading in equity, debt instruments, derivatives, mutual funds. It also has a platform for trading in equities of small-and-medium enterprises (SME).

More than 5500 companies are listed on BSE making it world's No. 1 exchange in terms of listed members. The companies listed on BSE command a total market capitalization of USD 1.64 Trillion as of Sep 2015. It is also one of the world's leading exchanges (5th largest in September 2015) for Index options trading (Source: World Federation of Exchanges).

a) Give detailed SWOT analysis of BSE.

(8)

b) Briefly describe features of BSE.

(7)