M0145 / M0187 ELECTIVE: FINANCE: INVESTMENT ANALYSIS & PORTFOLIO MANAGEMENT.

TYBMS / 128

Q.P. Code :03048

[Time: 2½ Hours] **[Marks:75]**

Please check whether you have got the right question paper.

N.B:
1. All questions are compulsory.
2. Figures to the right indicate **full marks**.

Q.1 Attempt any 2 **15**

a) What is an Investment? What are various objectives of investment?

b) Explain various functions of investment Bank.

c) What are the advantages of online Trading?

Q.2 Attempt any 2 **15**

a) Explain relationship between risk and return.

b) Mr. Raj wants to invest in company X on Company Y. the return on stock X and Y and probabilities are given below.

Company X		Company Y	
Return (%)	Probability	Return (%)	Probability
6	0.10	4	0.1
7	0.25	6	0.2
8	0.30	8	0.4
9	0.25	10	0.2
10	0.10	12	0.1

Calculate expected return of both the companies and advice whether he should invest in company X or Y.

c) From the following information calculate Beta of security.

Year	Return on Security (%)	Return on Market Portfolio
1	35	22
2	38	26
1	34	24
4	40	28
5	43	30

Q.3 Attempt any 2 **15**

a) What is a portfolio management? What are the basic principles of portfolio management?

b) The Capital of Carbon Co. is as follows :

Particular	Rs.
10% Preference share Capital (Rs 10 each)	Rs 12,00,000
12% Debenture	Rs 12,00,000
Equity Share (Rs 10 each)	Rs 76,00,000
Profit before tax	Rs 30,00,000
Tax rate.	40%
Divided per share	Re 1
Market Price share	Rs 90

Calculate :

(i) Earning per share (ii) Dividend payout ratio

(iii) Price Earning ratio (iv) Divided yield ratio

c) Explain various charting techiniques.

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Q.4 Attempt any 2 **15**

a) Explain Efficient market theory.

b) The details of three portfolios are given below. Compare these portfolio on performance using Sharpe and Trey nor measures.

Portfolio	Average Return	Standard Deviation	Beta
A	16%	0.25	1.00
B	12%	0.30	1.25
C	11%	0.25	1.30
Market index	13%	0.35	1.15

The risk free return is 10%

c) Following are the expected return and Beta of there secretion are as follows.

Security	P	Q	R
Return (%)	20	21	23
Beta	1.2	1.8	0.55

If risk free rate is 8% and market returns are 13%. Calculate expected return using CAPM (Capital Asset Pricing Model)

Q.5 Answer the following. **15**

As a portfolio Management Consultant you are approached by a investor with investible funds of Rs 25, 00,000. He wants to know the investment awareness available to him which will give a state return with minimum risk? Also explain different types -of risk associated with the investment.