

**Instructions to Candidates :**

1. All Questions are compulsory.
2. Use of simple calculator is allowed.

**Q.1** What is risk ? What are the different types of risks. [15]

**OR**

**Q.1** What is investment ? What are the characteristics of investment. [15]

**Q.2** What are accounting ratios ? What are the advantages of ratio analysis ?  
State any 5 Profitability ratios. [15]

**OR**

**Q.2** Write short notes on [Any 3] [15]

- |                   |                              |
|-------------------|------------------------------|
| 1) Life Insurance | 3) Post office schemes       |
| 2) Mutual Fund    | 4) Money market instruments. |

**Q.3** The Balance sheet of RR Ltd. as on 31.03.2013 is as follows :

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity Capital	1000000	Plant & Machinery	100000
Preference Capital	400000	Building	600000
General Reserve	50000	Patents	100000
6% Debentures	100000	Investments	200000
Bank Loan	50000	Stock	300000
Creditors	20000	Debtors	100000
Bills Payable	20000	Cash / Bank	200000
Tax Payable	10000	Bill Receivable	60000
Bank O.D.	20000	Preliminary expenses	10000
	<b>16,70,000</b>		<b>16,70,000</b>

Rearrange the above B/S in vertical form and Calculate the following ratios :-

- |                                |                      |
|--------------------------------|----------------------|
| 1) Current Ratio               | 2) Quick Ratio       |
| 3) Debt equity Ratio           | 4) Proprietary Ratio |
| 5) Stock-Working Capital Ratio |                      |

[15]

**OR**

**Q.3 A)** Zee Ltd. is considering two projects X & Y. The initial investment of Rs. 60000 each having life of 5 years. The estimated profit after tax

Year	Project X	Project Y	PV factor @ 10%
1	20000	18000	0.909
2	21000	22000	0.826
3	25000	24000	0.751
4	35000	21000	0.683
5	32000	20000	0.621

Which project should be accepted as per NPV.

[8]

B) What is the future value of a 20 year annuity if Rs. 7000 are deposited annually for 8 years and Rs. 3000 for 12 years thereafter @ 12% interest p.a.

[4]

C) A equal annual payments of Rs. 5000 are deposited into Union Bank deposit scheme which gives 9% interest p.a. what is the maturity value of investment after 5 years.

[3]

Q.4 A) The rate of return on stocks of A Ltd. & B Ltd. under different states of economies are as follows :-

	Boom	Normal	Recession
Probability	0.40	0.50	0.10
Return on A Ltd (%)	30	40	30
Return on B Ltd (%)	25	45	30

Calculate the expected rate of return & S.D. standard deviation on both the stocks.

[8]

B) From the following information, calculate the Beta of the security of Unique Ltd.

[7]

Year	Return on Security (%)	Return on Market Portfolio (%)
1	10	8
2	11	9
3	12	10
4	13	12
5	13	14

OR

**Q.4 A)** Prepare comparative statement of Sarita Ltd. from the following : [8]

	31/3/2013	31/3/2013
Net Sales	20,00,000	25,00,000
Cost of Sales	15,00,000	18,00,000
Office expenses	2,00,000	3,00,000
Selling expenses	35,00,000	25,00,000
Interest	45,000	40,000
Income Tax	1,00,000	1,50,000

**B)** From the following information of Z Ltd. Prepare commonsize income statement of Z Ltd. as on 31st March, 2013. [8]

Sales	20,00,000
Cost of Sales	16,00,000
Operating income	6,000
Office expenses	1,10,000
Selling expense	20,000
Finance expenses	40,000
Non Operating incomes	12,000
Non Operating expenses	15,000
Income Tax Payable	60,000
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