

SYBFM

# Security Analysis

(L)

NO3AAD 9/31/15

Total Marks: 75

Time Allowed: 2:30hours

All question are compulsory.  
Each Question has choices.

Q1 Write short notes on **any three** from the following:

(3X5=15)

- 1 Speculation
- 2 Mutual Funds
- 3 Unsystematic Risk
- 4 Portfolio
- 5 Price/Earning Ratio

Q2. Write Short Notes on any three of the following:

(3X5=

15)

- 1 .ESOPs
2. Stock Exchange
3. Private placement
4. SEBI
5. Return

Q3. (a)What is an Investment? What are different kinds of investments?

(7)

(b)What is a Primary Market? Explain Public Issue in detail?

(8)

OR

(a)What is Security Analysis? Explain the approaches to investment decision making?

(7)

(b)Explain the structure of Financial System?

(8)

Q4. (a)What is Portfolio Performance Evaluation?

(7)

(b)What is Risk? Explain how to measure the Risk?

(8)

OR

(a)The following is the information of stock X and Stock Y under the possible state of nature:

(7)

State of nature	Probability	Return on X	Return on Y
Boom	0.10	5%	0%
Normal	0.30	10%	8%
Recession	0.50	15%	18%
Recovery	0.10	20%	26%

You are required to:

1. Calculate the expected return on Stock X and Stock Y.
2. Calculate the Standard Deviation of both the stocks and

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3. If you want to invest in anyone stock, which stock would you prefer?

(b) The Sun Pharma's Share price on Feb 28, 2010 was Rs. 400 and the price on October 28, 2010 was Rs. 480. Dividend received during the period was Rs. 50 share. Mr. Rajan had purchased 200 shares of Sun Pharma on Feb 28, 2010. Determine rate of return for holding period? (8)

Q5. (a) What are the technical indicators used in technical analysis? (7)

(b) Distinguish between fundamental and technical analysis? (8)

OR

(b) Following information is available relating to A Ltd. and B Ltd.: (15)

Particulars	Rs. In lakhs	
	A Ltd.	B Ltd.
Equity Share Capital (Rs. 10 face value)	200	250
12% Preference shares	80	100
Profits after tax	50	70
Proposed dividend	35	40
Market price per share	Rs. 100	Rs. 140

**Calculate:** (a) Earning per share (b) P/E ratio (c) Dividend payout ratio (d) Return on Equity share.

State of Economy	Probability	Return on X	Return on Y
Boom	0.10	32%	18%
Normal	0.30	10%	12%
Recession	0.30	12%	15%
Recovery	0.10	20%	20%