

- N.B. :**
1. All questions are compulsory.
  2. Figures to the right indicate full marks.
  3. Use of simple calculator is permitted.

**Q.1 Explain the Concepts.**

1. Portfolio Management
2. Bombay Stock Exchange
3. Technical Analysis
4. Equity Shares
5. Mutual Funds

**OR**

- Q.1 A.** What is Primary Market? How it differs from secondary market? (8)
- B.** What is Investment? Discuss shares, debentures & Post office deposits as investment avenues. (7)

- Q.2 A.** The following is the information of Stock A and B under the possible states of nature. (8)

State of Nature	Probability	Return A (%)	Return B (%)
Boom	0.10	5	0
Normal	0.30	10	8
Stagnation	0.50	15	18
Recession	0.10	20	26

- Calculate:**
1. Expected Return on A and B.
  2. Standard Deviation of A and B.
  3. If you want to invest, which stock would you prefer?

- B.** Calculate the Holding Period Return: (7)

Particulars	AXE Ltd. (Rs.)	WYZ Ltd. (Rs.)
Price as on 31.3.2011	200	100
Price as on 31.3.2012	150	150
Dividend for the year	10	10

**OR**

- Q.2 A.** What is Risk? Explain in detail the types of risks? (8)
- B.** What is Ratio Analysis? Discuss its limitations. (7)

- Q.3 A.** Distinguish between : Fundamental Analysis and Technical Analysis. (8)
- B.** What are charting techniques? Discuss limitations of charts? (7)

**OR**

**Q.3 A.** The Capital of M/s. Ahmad Khan Ltd. consists of:

- 9% Preference Shares of Rs. 10/- each	:	Rs. 300000/-
- Equity Shares of Rs. 10/- each	:	Rs. 800000/-
- Profit after Tax	:	Rs. 270000/-
- Equity dividend	:	20%
- Market Price per Equity Share	:	Rs. 40/-

- Calculate:**
1. Dividend Yield Ratio
  2. Earning Per Share
  3. Price - Earning Ratio
  4. Preference Dividend Cover
  5. Equity Dividend Cover

Also Comment on them.

**B.** Calculate Expected Rate of Return:

Return on Stock X	Return on Stock Y	P
-10	05	10
0	10	25
10	15	40
20	20	20
30	25	05

**Q.4 A.** The details of three portfolio of Mr. Salman are given below. Compare these portfolios on performance using Sharpe, Treynor and Jensen's measures.

Portfolio	Avg. Return (%)	Std. Deviation	Beta
1	15	0.25	1.25
2	12	0.30	0.75
3	10	0.20	1.10
Market Index	12	0.25	1.00

The Risk free Rate of Return is (9%)

**B. Calculate:** i. EPS      ii. Price Earning Ratio  
& also comment on them.

Particulars	Quick Ltd.	Slow Ltd.
Equity Share Capital (Rs. 10/- face value)	200	250
Profit After Tax	50	70
12% Preference Share Capital	80	100
Proposed Dividend	35	40

OR

(Rs. 10/- face value)		
Profit After Tax	50	70
12% Preference Share Capital	80	100
Proposed Dividend	35	40

OR

**Q.4 A. Short Notes. (Any 3)**

- a. Dow Theory
- b. Demat Trading
- c. NSE
- d. Objectives of Investment

(15)



(P.T.O.)