

29/3/14
Library

MN3AEB

SyFM
Sec. Analysis

Time : 2Hrs.

Marks : 60

Instructions:

All questions are compulsory.

Figures to the right indicate full marks.

Use of simple calculator is allowed.

Q1. A) What is security analysis? What are the factors to be considered for security analysis? (8)

B) What is an investment? What are the different kinds of investment? (7)

OR

Q1. A) Explain the following concepts: (15)

1. Mutual Fund.
2. Fixed deposits.
3. Bearish Market.

Q2. A) What is a Secondary Market? What are the intermediaries in secondary market? (8)

B) What is an Index? How does it help the investors? (7)

OR

Q2. A) The rates of return on stocks P & Q under different states of economy are as follows.

Particulars	Boom	Normal	Recession
Return on stock P	40%	30%	20%
Return on stock Q	25%	30%	40%
Probability of occurrence	35	35	30

Calculate :

1. The Expected rate of return and standard deviation of return on stock P & Q.
2. If you want to invest in either stock P or stock Q but not in both, which stock would you prefer and why? (10)

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B) Mr. Sachin purchased 200 shares of APZ ltd. three years ago at Rs. 250 each. The company paid dividends of Rs. 600, Rs. 750, & Rs. 900 in the 3 years. If the current market price of the share is Rs. 500, what rate of return has he earned on his investment if he sells the shares now? What is the annualized return? (5)

Q3. A) What is a portfolio ? Explain the process of portfolio management. (8)

B) What is ratio analysis? Explain liquidity ratios. (7)

OR

Q3 A) Compare the following portfolios on performance using Sharpe, Treynor and Jensen's measure of evaluation and rank them.

Portfolio	Average Returns	Std. Deviation	Beta
A	13%	3	1.50
B	10%	2	0.80
C	11%	1.5	1.00
MARKET	12%	2.5	1.50

Risk free rate of return is 9%. (10)

B) Explain the difference between fundamental & technical analysis. (5)

Q4 A) The following information is available regarding Blue Ltd. & Green Ltd.

Particulars	Tata Ltd. (Lakhs)	Bata Ltd. (Lakhs)
Equity share capital (Rs. 10)	400	500
10% Preference share capital	160	200
15% Debentures	40	120
PBIT	120	160
Proposed dividend	40	50
Provision for tax	34	42
Market price per share	40	55

You are required to calculate EPS, DPS, DPR, Dividend yield ratio and P/E ratio of both the companies and advise as to which share is worth investing? (10)

B) Explain the techniques of technical analysis. (5)

OR

Q4 Write short notes on : (15)

1. Depository.
2. Contract Note.
3. NIFTY.