



MS – 511

VI Semester B.B.M. Examination, May 2016
(Semester Scheme) (F+R)
(2014-15 and Onwards)
BUSINESS MANAGEMENT
Paper – 6.5 : Elective (Paper – III)
Investment and Portfolio Management

Time : 3 Hours

Max. Marks : 100

Instruction : Answers should be written in **English** only.

SECTION – A

1. Answer **any eight** sub-questions. **Each** sub-question carries **2** marks. **(8×2=16)**
- a) Mention any two objectives of portfolio management.
 - b) How is EPS calculated ?
 - c) What is speculation ?
 - d) Define risk.
 - e) How do you calculate Treynor's measure ?
 - f) What is swap ?
 - g) What is derivative ?
 - h) What is a convertible debentures ?
 - i) What is efficient portfolio ?
 - j) Expand NASDAQ and OTCEI.

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SECTION - B

Answer **any three** questions. **Each** question carries **8** marks.

(3×8=24)

2. Explain the functions of secondary market.
3. Explain briefly fundamental analysis.
4. Explain the advantages of mutual fund.
5. A bond of Rs. 8,000/-bearing a coupon rate of 12% and redeemable in 10 years for Rs. 8,800/-. Find the YTM of the bond.

SECTION - C

Answer question No. **10** and **any 3** of the remaining. **Each** question carries **15** marks.

(4×15=60)

6. Discuss the investment avenues available to investors.
7. Explain the purpose of industry analysis in detail.
8. The return of two securities P & Q are given below. Select the security according to risk and return.

Return on Security	Return on Security	Probability
P	Q	
5	2	0.4
3	3	0.3
2	4	0.3

9. A company paid a dividend of Rs. 5 per share last year. As an investor, you are required to find the value of equity share if :
 - a) Growth rate is 8% and equity capitalization rate is 12%.
 - b) Growth rate is 10% and equity capitalization rate is 14%.
 - c) Growth rate is 12% and equity capitalization rate is 16%.
 - d) Growth rate is 15% and equity capitalization rate is 20%.
10. Distinguish between risk and uncertainty. Explain the types of risk.