

12.11.22

Time: 2 ½ Hours

Total Marks: 75

- N.B: 1) All questions are compulsory with internal choice
 2) Figures at right indicates full marks for question.
 3) Use of simple calculator is permitted.
 4) Working notes should form part of your answer.



Q1. (a) State whether the following statements are true or false (any seven)

(7)

1. Secondary market is a market where existing securities are purchased and sold.
2. The risk at the pioneering stage is very high.
3. Examples of solvency ratios include current ratio and quick ratio.
4. Price level and inflation affect the economy of the country.
5. Liquidity ratio assesses business's liquidity.
6. Small -cap stock tends to offer more growth potential than large -cap stocks.
7. Merger and Acquisition are major functions of Investment Bankers.
8. Nifty is the stock market index of National Stock Exchange.
9. NSDL is the largest central security depository based in Mumbai.
10. The Nasdaq's was the first all-electronic trading exchange

Q.1. (b) Match the column (any EIGHT)

(8)

Column (A)	Column (B)
a) Equity Share	i) Tax Saving investment
b) Preference Share	ii) Easily converted into cash.
c) Bond	iii) Purchase of an asset with the hope of getting returns.
d) PPF	iv) Unsecured deposits.
e) Deduction	v) Risky Capital
f) Liquidity	vi) Chance of losing money
g) Gambling	vii) Mainly to earn capital gain
h) Investment	viii) Fixed dividend
i) Speculation	ix) Uncertain and high return
j) Risk	x) Debt fund
k) Public Deposit	xi) Section 80C

Q2. a) What are the portfolio strategy mix.

(7)

b) Life Insurance and its Advantages.

(8)

OR

Q.2. c) Explain scope of investment.

(7)

d) Explain steps in wealth management process.

(8)

Q.3. Following is the balance sheet of Nirmal Ltd. As on 31st March, 2020

15

Liabilities	₹	Assets	₹
Equity share Capital @ ₹ 10. Each.	6,00,000	Land and building	6,00,000
Reserves and surplus	4,00,000	Plant and machinery	5,00,000
8% Debentures	5,00,000	Stock	2,60,000
Creditors	2,00,000	Debtors	3,00,000
Proposed Dividend	60,000	Cash and Bank	1,00,000
	<u>17,60,000</u>		<u>17,60,000</u>

Additional Information

- Cost of goods sold ₹ 9,00,000
- Administrative Expenses ₹ 1,00,000
- Sales ₹ 15,00,000.
- Net Profit after Tax ₹ 3,60,000.
- Market Price of the company's share ₹ 60.

Calculate the following ratios:

- Return on Equity.
- Net Profit Margin Ratio
- Earning Per share.
- Dividend yield.
- Long Term Debt to Equity Ratio
- Price Earning Ratio.

OR

Q3. Given below are the likely returns in case of share Star Ltd. under various economic condition.

15

Economic Condition	Probability	Returns (%)
Boom	0.25	7
Low Growth	0.25	10
Stagnation	0.30	14
Recession	0.20	19

Calculate expected return and standard deviation.

Q4. a) Write the meaning and concept of Investment. (7)

b) Factors Affecting investment decision in portfolio management. (8)

OR

Q4. c) Explain in detail need for portfolio evaluation. (7)

d) Distinguish between Fundamental analysis and Technical analysis. (8)

Q5. a) Briefly explain important aspects of financial group. (7)

b) Explain different types of investors. (8)

OR

Q.5 Write Short Notes. (any 3) (15)

- Objective of Investment.
- Mutual Fund
- Equity Share Capital
- Investment Process
- Standard Deviation