



3. Anand owns Rs.1000 face value bond with five years to maturity. The bond has an annual coupon of Rs.75. The bond is currently priced at Rs.970. Given an appropriate discount rate of 10%, should anand hold or sell the bond?
4. (a) An investor 'A' purchased a bond at a price of Rs.900 with Rs.100 as coupon payment and sold it at Rs.1000. what is his holding period return?  
 (b) If the bond is sold for Rs.750 after receiving Rs.100 as coupon payment, then what is the holding period return?

**Q.4 Answer the following. (Any two)**

**(18)**

1. List and explain macro economy factors. (Any nine)
2. List the content of prospectus. (Any nine)
3. The following information is given about two companies Rani limited & raja limited. Compute standard deviation of the returns of their shares.

<b>Rani Limited</b>		<b>Raja Limited</b>	
<b>Return (ri)</b>	<b>Probabilities (pi)</b>	<b>Return (ri)</b>	<b>Probabilities (pi)</b>
5	0.10	5	0.05
7	0.20	7	0.15
9	0.30	9	0.20
11	0.25	10	0.40
13	0.15	11	0.20