Enrollment No:_____

PARUL UNIVERSITY FACULTY OF COMMERCE

B.Com.(Hons), Winter 2018 – 19 Examination

Semester: 5 Subject Code: 16101301 Subject Name: Security Analysis and Portfolio Management			Date: 29/10/2018 Time: 10:30 am to 1:00 pm Total Marks: 60	
Instru 1. All 2. Figu 3. Mak 4. Star	ctions: questions are compulsory. ares to the right indicate full marks. the suitable assumptions wherever necessary. t new question on new page.			
0.1	Do as directed.			
A)	Multiple choice type questions. (Each of one mark)			(06)
	1. LIBOR stands for			
	a) London internal bank offer rate	b) London inter-bank	offer rate	
	c) London bank offer rate	d) London internal rat	te	
	2. Spot Price denote to Price of financial in			
	a) Current Price	b) Forward price		
	c) Future Price	d) Notional Price		
	3. Return is an outcome of			
	a) Primary Market	b) Risk		
	c) Secondary Market	d) Investment		
	4. Which is a financial derivative?			
	a) Forward	b) Futures		
	c) Swap	d) All of the above		
	5 is probability of getting return.			
	a) Return	b) Money		
	c) Risk	d) None		
	6 person sells shares in expectation of fall	in share price for buyi	ng shares at lower	
	price at future date.			
	a) Bull	b) Cow		
	c) Bear	d) None		
B)	Answer the following. (Each of one mark)			(06)
	1. What is Risk?			
	2. What are Zero Coupon bonds?			
	3. What is Primary Market?			
	4. What is book building?			
	5. What is prospectus?			
	6. What is portfolio?			
Q.2	Answer the following. (Each of 04 mark)			(12)
	1. What are the characteristics of investment?			
	2. What is price sensitive information for an organization?			
	3. If risk free rate of return is 6% as the treasury bill rate and market return is expected to vary			
	with the β of 1.2. Market rate of return is 18% wh	at is the expected return	1?	
Q.3	Answer the following. (Any Three)			(18)
	1. What are sources of systematic risk?			
	2. Explain the examples of unsystematic risks.			

- 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)

- <u>____</u>
- 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.

Rani Limited		Raja Limited		
Return (ri)	Probabilities (pi)	Return (ri)	Probabilities (pi)	
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	

(18)