

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER– III EXAMINATION – WINTER 2020****Subject Code:4539221****Date:05/01/2021****Subject Name:Specialization-Finance_Security Analysis and Portfolio Management (SAPM)****Time:10:30 AM TO 12.30 PM****Total Marks: 47****Instructions:**

1. Attempt any THREE questions from Q1 to Q6.
2. Q7 is compulsory.
3. Make suitable assumptions wherever necessary.
4. Figures to the right indicate full marks

Q1. Explain the terms in brief:

- (a)
 1. Money Market Instruments **06**
 2. Holding Period Return
 3. Non- Systematic Risk

- (b)
 1. Candle Sticks Chart **06**
 2. Security Market Line
 3. Portfolio Revision

Q2. (a) Explain the Innovations in Bond Market. **06**

- (b) Betaal Ltd. has furnished the following details to you as an **06**
Investor:
RF- 2%
Stock return- 7 %
Market return- 8 %
Calculate Beta (β) from the information and Interpret the value of Beta.

Q3. (a) Differentiate Speculation, Gambling and Investment with examples. **06**

- (b) Calculate E(r) for the Patal lok Ltd. **06**

Security	Return (%)	Investment
A	20	20000
B	25	25000
C	15	30000
D	10	25000

Q4. (a) Explain various Bond Management strategies in detail. **06**

- (b) The bonds of company are currently selling for Rs 1200, **06**
they carry coupon rate of 16% and has life of 20 years , what an investor will earn, if he hold his bond till 20 years? (Par value 1000 Rs)

- Q5.** (a) Prepare EIC analysis of your selected Industry **06**
 (b) Sartaj Singh has portfolio of a large Mutual fund, he has earned a return of 70.60, Beta portfolio is 1.12. During same time period, Market Return as a whole is 41% and RF is 12%, While $\bar{\sigma}$ of portfolio is 41.31, and market $\bar{\sigma}$ or market risk is 19.44. Calculate Sharpe Measure of Performance Evaluation for Market and Portfolio. **06**
- Q6.** (a) Explain the Dow theory with assumptions. **06**
 (b) A 12% Rs. 1000 face Value Bond will be redeemed after 5 years at par, the ROR is 10%. What is the value of Bond? **06**
- Q7. CASE STUDY**
 The current dividend paid by a Ghoul Ltd. company is Rs. 10 per share, it will grow at 12% p.a. for first three years, than at 10% for next 3 years and then at 6% p.a. forever.
- (a) Explain the type of dividend growth used by the company. **11**
 (b) Calculate the Present Value of Dividend on the overall basis for the company, if RRR is 8%
- OR**
- (a) Calculate the Present Value of Dividend on the overall basis for the company, if RRR is 10% **11**
 (b) Calculate the Present Value of sixth Year i.e. P6, where RRR is 8%.

Best of Luck
