

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER– III EXAMINATION – WINTER 2020

Subject Code:1539322

Date:07/01/2021

Subject Name:International Investment & Portfolio Management (IIPM)

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.

- Q.1(a) Explain the following terms:** **06**
1. Blue Chip Companies
 2. Bullish V/s Bearish Market
 3. Exchange Traded Fund
- Q.1(b) Explain the following terms:** **06**
1. Eurodollar
 2. Trend Lines
 3. Liquid Mutual Funds
- Q.2 (a)** ‘Speculation and Gambling are two different type of activities done by Individuals and used to increase wealth under conditions of risk or uncertainty.’ – Discuss various differences in Investment with Speculation and Gambling purpose. **06**
- (b)** Consider an investment that cost Rs. 450 and is worth Rs.550 after being held for two years. What is the Annual Holding Period Return and Annual Holding Period Yield? **06**
- Q.3 (a)** Describe basic Assumptions of CAPM and explain CML. **06**
- (b)** Considering yourself as an Investment Advisor of reputed financial firm, elaborate the common factors which investor should keep in mind while choosing an Investment Avenue. **06**
- Q.4 (a)** “Insurance enables mitigation of losses, financial stability and promotes trade and commerce activities those results into sustainable economic growth and development of an Economy” - Describe different types of General Insurance products available in the market. **06**
- Q.4 (b)** Briefly discuss Security Market Line and Random Walk theory. **06**
- Q.5 (a)** Discuss the Assumption of Markowitz Portfolio Theory and explain efficient portfolio. **06**
- Q.5 (b)** Small Finance Bank is planning to raise fund through Initial Public Offer, discuss the steps of public issues in Indian Capital Market. **06**

- Q.6 (a)** Critically analyze the Behavioural Finance as an important branch of Finance for the Investment Decision? **06**
- Q.6 (b)** Discuss any two security analysis and valuation models. **06**

Q.7 The Rate of return of ITC and TCS are given during three different market conditions of Indian Economy. Evaluate the performance of company based on following parameters and analyze the stocks.

State of Economy	Probability of occurrence	Rate of Return ITC	Rate of Return TCS
Boom	0.50	10	12
Normal	0.30	6	10
Recession	0.20	2	-8

- (a)** Calculate Expected Rate of Return and compare the results **5.5**
- (b)** Identify most safe company from the perspective of the risk. **5.5**

OR

- (a)** Analyze the Variance of both the companies. **5.5**
- (b)** Calculate Coefficient of Variation and identify most stable company **5.5**
