



MS – 475

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VI Semester B.B.M. Examination, May/June 2014
(Semester Scheme)
(Repeaters) (Prior to 2013-14)
BUSINESS MANAGEMENT
6.5 : E – 3 : Paper – 4 : PortFolio Management

Time : 3 Hours

Max. Marks : 90

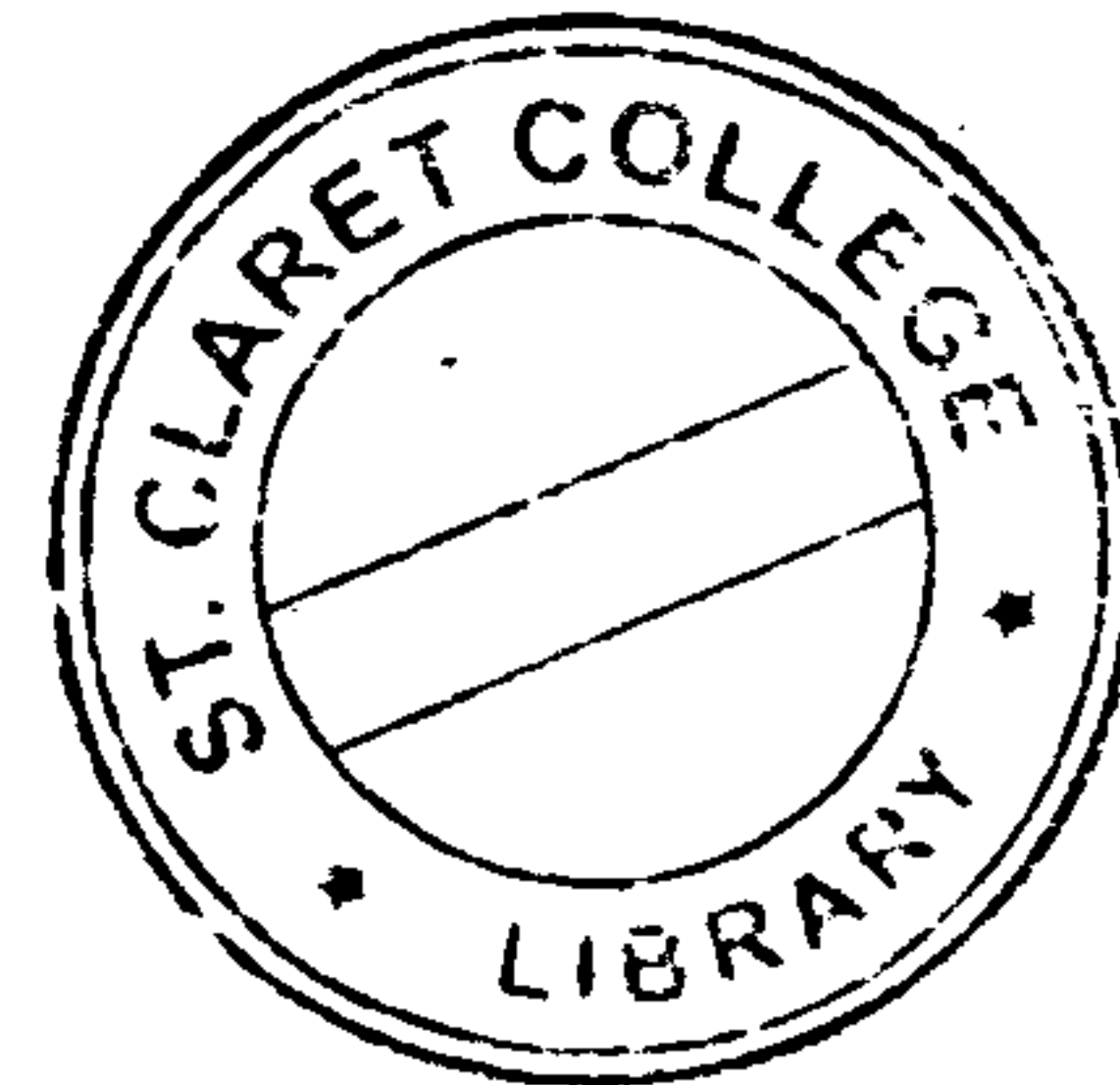
Instruction : Answers should be written completely in English.

SECTION – A

Answer **any 10** of the following sub-questions. **Each** sub-question carries **2** marks.

(10×2=20)

1. a) What is investment ?
- b) What is New Issue market ?
- c) Who is a 'lame duck' in stock market ?
- d) Expand NSE and OTCEI.
- e) What is a debenture ?
- f) What is a unsystematic risk ?
- g) What is a derivative ?
- h) What is PPF ?
- i) What is a treasury bill ?
- j) What is coupon rate ?
- k) What is NSDL ?
- l) A firm pays a dividend of 25% on the equity shares of face value of Rs. 100 each. Find out the value of the equity shares, if, the required rate of return of the investor is 15%.



P.T.O.



SECTION – B

Answer **any 5** questions. **Each** question carries **5** marks.

(5×5=25)

2. Explain any 5 characteristics of investment.
3. Distinguish between shares and debentures.
4. Briefly explain the various types of provident fund.
5. Write a note on government securities.
6. Distinguish between real assets and financial assets.
7. What is listing of shares ? Explain any 3 advantages of listing shares.
8. What is a blue chip share ? Explain its features.
9. A bond of Rs. 1,000 bearing a coupon rate of 10% PA is redeemable after 5 years at par. Find out the value of the bond given the required rate of return is 14%.

Year :	1	2	3	4	5
NPV @ 14% :	0.877	0.769	0.675	0.592	0.519

SECTION – C

Answer **any 3** questions. **Each** question carries **15** marks.

(3×15=45)

10. Discuss the various investment alternatives available to an Indian investor.
11. Distinguish between open ended and close ended mutual funds. Explain their advantages and disadvantages.
12. Explain the factors influencing investment decisions for the Indian Investor.
13. Explain Harry Markowitz portfolio theory.
14. The expected rates of return and probability of occurrence has been given below with respect to Portfolio's A and B. If Mr. Indrajit decides to invest 30% in portfolio A and 70% in portfolio B, what would be the return on his portfolio ?

Probability	Expected Portfolio A return	Expected Portfolio B return
0.10	-5	-2
0.20	+6	+5
0.30	+8	+7
0.30	+12	+15
0.10	+20	+25