

[39/A-24]

SARDAR PATEL UNIVERSITY
B.B.A. [ITM] Examination, VIII Semester
Friday, 20th April, 2018

Session: Evening Time: 2.00 p.m. To 4.00 p.m.

Subject: Investment Analysis & Portfolio Management-II [UM08EBBI04]

Total Marks: 60

- Q1[a] Explain the various concepts of value and give the basic bond valuation model. [08]
 Q1[b] A company is currently paying an equity dividend of Rs. 2.45 per share. It is expected to grow at a 15% p.a. for next 5 years, and then at 10% forever. Determine the value of equity stock assuming required rate of return 13%. [07]

OR

- Q1[a] A Rs. 100 par value bond bearing a coupon rate of 12% will mature after 5 years. What is the value of the bond, if the discount rate is 15%? [04]
 Q1[b] A Rs. 100 par value bond bears a coupon rate of 14% and matures after 5 years. Interest is payable semi-annually. Compute the value of the bond if the required rate of return is 16%. [04]
 Q1[c] Discuss the bond value theorems. [07]
 Q2[a] Discuss the concept, basic premises and limitations of technical analysis? [10]
 Q2[b] How is technical analysis different from fundamental analysis? [05]

OR

- Q2 Write a note : [1] Price and volume charts [2] Pattern analysis [15]
 Q3[a] Calculate the expected return and standard deviation for two companies P & Q from the following data: [10]

P		Q	
Return (%)	Probability	Return (%)	Probability
20	0.1	13	0.1
16	0.4	16	0.2
10	0.3	22	0.3
3	0.2	25	0.4

- Q3[b] Write a brief note on CAPM. [05]

OR

- Q3[a] Calculate the arithmetic mean and geometric mean from the following information: [07]

Year	Security I Return (%)	Security II Return (%)
1	20	30
2	12	12
3	14	18
4	3	0
5	1	10

- Q3[b] Explain the term risk and discuss systematic and unsystematic risk with appropriate examples. [08]

- Q4[a] Discuss the three forms of the Efficient market theory. [10]
 Q4[b] Briefly explain portfolio risk and return. [05]

OR

- Q4 Discuss in detail the growth investing and value investing styles of investment. [15]

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