

SARDAR PATEL UNIVERSITY
BBA (ITM) (VII Semester) Examination
Monday, 5th December
2016

10.00 am - 12.00 pm

UM07EBBI04 : Investment Analysis and Portfolio Management - I

Total Marks: 60

Note: (1) Figures to the right indicate full marks of each question.
 (2) All working notes are part of the answer.

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- Q1[a] Compare following investments in terms of risk, return, marketability, tax shelter and convenience: [12]
- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Equity shares ▪ Non-convertible debentures ▪ Banks deposits ▪ Public provident fund | <ul style="list-style-type: none"> ▪ Life Insurance ▪ Residential house ▪ Gold and silver ▪ Mutual fund |
|--|---|
- Q1[b] Mention various sources of investment information. [03]
- OR
- Q1[a] What are the investment opportunities available for foreign citizens of Indian origin? [05]
- Q1[b] Differentiate investment from speculation and gambling. [07]
- Q1[c] Explain the term security analysis. [03]
- Q2 Answer following questions: [15]
- 1 Distinguish between capital market and money market.
 - 2 Explain the structure of capital market.
 - 3 Write a note : OTCEI
- OR
- Q2[a] Give overview of financial markets. Also discuss Forex market and Derivative market. [10]
- Q2[b] Explain the functioning of inter-connected stock exchanges of India. [05]
- Q3 'The analysis of macro economic environment is essential to understand the behavior of the stock prices.' Explain with reference to commonly analyzed macro economic factors in detail. [15]
- OR
- Q3[a] What do you understand by top-down analysis? [08]
- Q3[b] Explain SWOT Analysis with reference to any one industry. [07]
- Q4 Write a note on : [15]
- [1] Du Pont Analysis
 - [2] Going beyond the numbers

OR

Q4[a] The following are the summarized profit and Loss account and the [15]
Balance Sheet of Blossom Ltd:

BALANCE SHEET (Rs. in Lakhs)

	31.03.14	31.03.15
Capital & Liabilities		
Share Capital	250	250
General Reserve	100	172
Debentures	180	150
Term Loan	30	30
Creditors	70	56
	630	658
Assets		
Net Fixed Assets	420	385
Cash	55	85
Debtors	65	75
Inventories	90	113
	630	658

INCOME STATEMENT (Rs. in Lakhs)

Particulars	31.03.14	31.03.15
Net Sales	350	450
Less: Cost of Material	90	113
Wages	70	70
Cost of Goods Sold	160	183
Gross Profit	190	267
Less: Selling, General and Administrative Costs	50	60
Earnings Before Depreciation, Interest and Tax (EBDIT)	140	207
Less: Depreciation	30	35
Earnings Before Interest and Tax (EBIT)	110	172
Less: Interest	25	27
Earnings Before Tax (EBT)	85	145
Less: Tax	15	97
Earnings After Tax (EAT)	70	48
Less: Dividend	25	25
Retained Earnings	45	23

Calculate: Current Ratio, Quick Ratio, Debt-Equity Ratio, Interest Coverage Ratio, Stock Turnover Ratio, Fixed Assets Turnover Ratio, Debt Collection Period, Gross Profit Margin, Net Profit Margin, Return on Investment.

All the best