

(10/A-3)

SEAT No. _____

No. of Printer/Pages : 1

Sardar Patel University
TY BBA (ISM) 6th SEM (CBCS)
Security Analysis (UM06CBBS05)
4th APRIL 2018 Wednesday
Time: 10.00 A.M TO 12.00 P.M.

Total Marks 60

- Q:1 (a) Define stock Exchange. Discuss its functions in detail. (08)
- Q:1 (b) Discuss in your word Investment and Explain the defects of Indian stock market. (07)
- OR**
- Q:1 (a) Write a note on Bombay stock exchange (07)
- Q:1 (b) Describe working system of stock market. (08)
- Q:2 (a) Discuss Dow's theory in detail. (08)
- Q:2 (b) Define technical analysis and state its assumptions as well as advantages. (07)
- OR**
- Q:2 Write down Company Analysis and Industry Analysis as a part of EIC Framework of Technical Analysis in detail. (15)
- Q:3 (a) Write a note on concept of value (05)
- Q:3 (b) (1) Vraj Ltd. Has a 10 year debenture that pays Rs 140 annually interest Rs. 1000 will be paid on maturity what will be the value of the debenture if the required rate of return is 12% & 16% (10)
- (2) The expected dividend to be paid by a company is Rs. 8 per share which is expected to grow at 6% p.a. forever. If the rate of return is 10% what will be the value of such equity?
- OR**
- Q:3 (a) A company proposes to sell 10 year debentures of Rs. 10,000 each. The company would repay Rs. 1000 at the end of each year & will pay interest annually at 15% on outstanding amount. Determine present value of the debenture issue if the capitalization rate is 16%. (08)
- Q:3 (b) The total asset is Rs. 80,000 of a company is financed by equity funds only. The IRR on assets is 10%. The company has a policy of retaining 70% of its profit. The capitalization rate is 12%. The company has 10,000 shares outstanding. Calculate the present value of share. (07)
- Q:4 (a) What do you mean by portfolio Management? Discuss its process in detail. (10)
- Q:4 (b) Security J has a beta of 0.75 while security K has a beta of 1.45. calculate the expected return for these securities, assuming that the risk free rate is 5% and the expected return of market is 14% (05)
- OR**
- Q:4 (a) Define term Risk & Return and Explain Capital Assets Pricing Model (CAPM) (10)
- Q:4 (b) Het Ltd is currently selling a share at Rs. 100. It is expected that a dividend of Rs. 4 per share would be paid during the year and the share could be sold at Rs. 108 at the end of the year. Calculate the expected return from the shares. (05)