[This question paper contains 8 printed pages.]

Your Roll No...............

Sr. No. of Question Paper	:	**3661**	**J**
Unique Paper Code	:	2413090012	
Name of the Paper	:	Fundamentals of Investment	
Name of the Course	:	**B.Com.**	
Semester	:	VI – DSE	

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. **All** questions carry equal marks.
3. Use of simple calculator allowed.
4. Students are allowed to use present and future value tables.
5. Answers may be written either in English or Hindi; but the same medium should be used throughout the paper.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए।
3. सभी प्रश्नों के अंक समान हैं।
3. साधारण कैलकुलेटर उपयोग की अनुमति है।
4. छात्रों को वर्तमान और भविष्य की मूल्य तालिकाओं का उपयोग करने की अनुमति है।
5. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

1. (i) Define the investment. Explain the different sources of investment information's. (6)

(ii) An investor has choice to invest in one of the following two securities

Situation	Probability	Return P (%)	Return Q (%)
Good	50%	18	21
Normal	40%	14	15
Bad	10%	-3.0	-5.0

(a) Find the expected return and risk (in term of standard deviation) of each security.

(b) Which security is good for investment? Why? (12)

Or

(i) Define the investment. Discuss the feature and objectives of investment. (8)

(ii) Discuss the procedure of trading in securities in the stock market. (10)

2. (i) Elaborate various types of risk in bonds. (6)

(ii) The bond of XYZ Ltd is currently selling at Rs. 860. The bonds have 4 years to maturity and carry a coupon rate of 10 %. Should investor buy the bond if his required rate of return is 12%? (12)

Or

(i) Define the credit rating agency. Discuss the factors considered by Credit rating agency in assigning the rating symbols. (8)

(ii) A bond having face value of Rs. 1100 carrying a coupon rate of 10% p.a. is redeemable after 10 years. Calculate the value of bond if required rate of return is 15% and the bond is redeemable at (i) 1050 (ii) Rs 1150. (10)

3. (i) Differentiate between fundamentals and technical analysis. As an analyst which do you prefer? Why? (8)

(ii) What is efficient market hypothesis? Discuss the advantages and disadvantages of Efficient market hypothesis (10)

Or

(i) Technical analysts believe that investors can use the past price changes to predict future price changes. How do they justify this belief? (8)

(ii) A firm currently paying a dividend of Rs. 3 per share. The rate of dividend is expected to grow at 6% for the first 3 years and 8% thereafter. Calculate the value of equity share if the required rate of return of the investor is 12%. (10)

4. (i) Discuss the assumptions and limitations of Markowitz theory. (8)

(ii) An Investor has two securities M and N, for investment purpose that details are given below

Securities	**M**	**N**
Expected return	10%	12%
Risk in term of standard deviation	3%	2%
Coefficient of correlation	−1.0	

Calculate the portfolio return and risk if 30% of money invested in security M and 70% money invested in security N. (10)

Or

(i) What is portfolio management? How modern theory is different from traditional theory of Portfolio (12)

(ii) Write short note any **three** : (2×3=6)

(a) Capital Assets pricing model limitation

(b) Efficient Portfolio

(c) Capital market line

(d) Diversification

5. (i) What is mutual fund? Discuss various types of mutual fund schemes. (10)

(ii) Calculate the Net Asset Value of a Mutual fund when the following information is provided :

Details	Rs.
Bank balance	3,50,000
Cash balance	5,25,000
Equity shares/debenture	11,50,000
Expenses	75,000
No. of Units outstanding	1,35,000

(8)

Or

(i) (a) Factors affecting the choice of mutual funds. (4)

(b) Discuss the various Participants in derivatives market. (4)

(ii) (a) Difference between future and forward contract. (5)

(b) Discuss the growth of Mutual fund in India. (5)

1. (i) निवेश को परिभाषित करें। निवेश संबंधी जानकारी के विभिन्न स्रोतों की व्याख्या करें। (6)

(ii) निवेशक के पास निम्नलिखित दो प्रतिभूतियों में से किसी एक में निवेश करने का विकल्प है

स्थिति	संभावना	रिटर्न P (%)	रिटर्न Q (%)
अच्छी	50%	18	21
सामान्य	40%	14	15
बुरी	10%	-3.0	-5.0

(अ) प्रत्येक प्रतिभूति का अपेक्षित प्रतिफल और जोखिम (मानक विचलन के संदर्भ में) ज्ञात करें

(ब) निवेश के लिए कौन सी प्रतिभूति अच्छी है? क्यों? (12)

या

(i) निवेश को परिभाषित करें। निवेश की विशेषता और उद्देश्यों पर चर्चा करें। (8)

(ii) शेयर बाजार में प्रतिभूतियों में व्यापार की प्रक्रिया पर चर्चा करें। (10)

2. (i) बांड में विभिन्न प्रकार के जोखिमों के बारे में विस्तार से बताइये। (6)

(ii) XYZ लिमिटेड का बांड वर्तमान में 860 रुपये पर बिक रहा है। बांड की परिपक्वता अवधि 4 वर्ष है और इसकी कूपन दर 10% है। क्या निवेशक को बांड खरीदना चाहिए यदि उसकी आवश्यक प्रतिफल दर 12% है? (12)