

Set—A

Unique Paper Code : 22415303

Name of the Paper : Investing in Stock Markets (BC4.4(b))

Name of the Course : B.Com. Hons.

Semester : III

Duration : 3 hours

Maximum Marks : 75 Marks

Instructions for Candidates

1. Attempt any four Questions, Each Question carry equal marks.
2. Answers may be written either in English or in Hindi, but the same medium should be used throughout the paper.

Q. 1 Explain the flow of funds in New Issue Market and Secondary Market. Also describe their relationship. Is their role in financial market, complementary or competitive? (18.75)

Q. 2 Explain the different types of Bonds? Which one of the two is better Investment -- Equity OR Bonds? Discuss with reasons? (18.75)

Q. 3 A Mutual Fund made an issue of 10,00,000 units of ₹ 10 each on 01.01 2020 .No entry load was charged .It made the following investments :

50,000 equity shares of ₹ 100 each @ 160	₹ 80,00,000
7% Government securities	₹ 8,00,000
9% Debentures (unlisted)	₹ 5,00,000
10% Debentures (listed)	₹ 5,00,000
Total	₹ 98,00,000

During the year, dividends of ₹ 12, 00,000 were received on equity shares. Interest on all types of debt securities was received as and when due. At the end of the year equity shares and 10% Debentures are quoted at 175% and 90% respectively. Other investments are quoted at par. Find out the Net Asset Value (NAV) per unit given that the operating expenses during the year amounted to ₹ 5, 00,000. Also find out the NAV, if the mutual fund has distributed a dividend of ₹ 1 per unit during the year to the unit holders. (18.75)

Q.4 What do you mean by Futures? Which products are available for trading in Futures in India? Explain how valuation of the Futures is done? (18.75)

Q.5 The return on securities A and B under different market situations are given below:

Condition of Market	Probability	Possible Return (A)	Possible Return (B)
Bull	.3	30	18
Normal	.4	18	15
Bear	.3	12	12

Find the risk and return associated with both the securities. Which security do you prefer and why? (18.75)

Q.6 Explain the methodology of CRISIL rankings in the context of mutual funds. Can these be used to accurately predict future performance of mutual fund? Comment. (18.75)