



MS – 460

VI Semester B.B.M. Examination, May/June 2014
(Fresh) (Semester Scheme) (2013-14 Only)
BUSINESS MANAGEMENT
6.5 : E3 : Paper – 4 : Portfolio Management

Time : 3 Hours

Max. Marks : 100

Instruction : Answer should be written only in **English**.

SECTION – A

I. Answer **any eight** sub-questions. **Each** sub-question carries **two** marks. **(8×2=16)**

- 1) a) Write any four objectives of portfolio management.
- b) What is convertible bond ?
- c) What do you mean by open-ended fund ?
- d) What is capital market ?
- e) Define Gambling.
- f) What is meant by Real Asset ?
- g) Expand the terms BSE and FII.
- h) What is swap ?
- i) What is an annuity ?
- j) A company's shares are selling at the market rate of ₹ 100. The company is expected to pay a dividend of ₹ 8 after 1 year. With a growth rate of 10%. Find out required rate of return of equity shareholder.

SECTION – B

II. Answer **any three** questions. **Each** question carries **eight** marks. **(3×8=24)**

- 2) Briefly explain the characteristic features of financial instruments.
- 3) What is listing of securities ? What are its advantages ?
- 4) Write a note on systematic and non-systematic risk.
- 5) What are the types of Provident Fund ? Explain briefly.

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- 6) Find the value of equity share of the following companies from the data given below :

Companies	Face Value ₹	Last Year Dividend	Growth Rate	Equity Capitalisation Rate
X	10	40%	10%	16%
Y	20	30%	20%	25%
Z	100	10%	15%	18%

SECTION – C

- III. Answer **any four** of the following. **Each** question carries **fifteen** marks. **(4×15=60)**

- 7) Compare and contrast LIC and UTI's Schemes as alternate forms of Investment.
- 8) Explain the significance of savings and investments in Indian financial system.
- 9) What are the factors influencing the investment decision ? Explain them in brief.
- 10) What is new issue market ? What are its functions ?
- 11) A company paid a dividend of ₹ 4 per share last year. As an investor you are required to find the value of equity share if
 - a) Growth rate is 8% and equity capitalisation rate is 12%
 - b) Growth rate is 10% and equity capitalisation rate is 14%
 - c) Growth rate is 12% and equity capitalisation rate is 16%
 - d) Growth rate is 15% and equity capitalisation rate is 20%.