Total Number of Pages: 02

Course: MBA
Sub_Code: 18MBA301B

3rd Semester Regular/Back Examination: 2024-25
SUBJECT: Security Analysis and Portfolio Management
BRANCH(S): MBA, FM&HRM, LSCM, MBA (M & F), RM, BA, FM, GM, HRM, IB, MM
Time: 3 Hours
Max Marks: 100
Q.Code: R034

Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.
The figures in the right-hand margin indicate marks.

Part-I

Q1 **Answer the following questions:** (2 x 10)
a) What is Purchase power risk?
b) What is Systematic risk? Give examples
c) What is short sale? Explain with example.
d) What are Business risk and financial risk?
e) Who is a genuine investor?
f) Who is a speculator? What strategy does he follow in stock market?
g) What is margin trading? Does it bring profit to investor? Explain.
h) What is Efficient Market Hypothesis?
i) What is breadth of market? What does it indicate?
j) What is the need for revising a portfolio?

Part-II

Q2 **Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)** (6 x 8)
a) KK invested in equity shares of Wipro. Its anticipated returns over 6 years are given below. You are required to calculate the expected rate of return and risk in terms of standard deviation and variance

Return%	12	15	18	20	24	26	30
p	0.05	0.10	0.24	0.26	0.18	0.12	0.05

b) Given R_p =15% and R_q = 20% and δ_p = 50% and δ_q = 30% and r_{pq} = −0.60. Find the risk and return of the portfolio if the portfolio is 40% p and 60% q.
c) As a Technical Analyst what are your likes and dislikes and considerations?
d) Write a short note on Support and Resistance level with diagrams.
e) Write the operation of Elliot Wave Theory with diagram.
f) Explain in detail the DOW theory with diagram.
g) Explain the concept of Markowitz Model with a diagram. Discuss its limitations.
h) Explain the Sharpe's Single index model with its assumptions.

i) The estimated rates of return, β values and δ are given below. The risk-free return is 6%. The market return is expected to be 15%. Determine which share is overpriced or underpriced?

Security	Estimated return (%)	β	δ in percent
A	35	1.6	50
B	28	1.4	40
C	21	1.1	30
D	18	0.9	25
E	15	0.7	20

j) What do you mean by formula plan? Discuss the 3 plans used for portfolio revision.

k) The following information pertains to the price of Indian Oil stock for the last 8 trading sessions. You are required to calculate the RSI of the stock of Indian Oil and interpret the result so obtained.

Day	0	1	2	3	4	5	6	7
Stock price	180	160	190	210	300	290	210	160

l) Distinguish between Fundamental Analysis and Technical Analysis.

Part-III
Only Long Answer Type Questions (Answer Any Two out of Four)

Q3   Discuss in detail the elements of portfolio management.   **(16)**

Q4   Given below are the likely returns in case of shares of VCC Ltd. and LCC Ltd. in the various economic conditions. Both the shares are presently quoted at Rs. 100 per share. Find which of the two companies are risky investments?   **(16)**

Economic conditions	Probability	Returns of VCC	Returns of LCC
High Growth	0.3	100	150
Low growth	0.4	110	130
Stagnation	0.2	120	90
Recession	0.2	140	60

Q5   What is EIC analysis? What are the objectives of going for this analysis? Discuss the parameters to be considered in Fundamental analysis   **(16)**

Q6   The following details are given for the stocks of X Ltd. and Y Ltd. and the Sensex for a period of one year. Calculate the Systematic and Unsystematic risk for the companies' stocks. If equal amount of money is allocated for the stocks, then what would be the portfolio risk?   **(16)**

	X Ltd.	Y Ltd.	Sensex
Average Return	0.15	0.25	0.06
Variance of Return	6.30	5.86	2.25
Beta	0.71	0.27	

3rd Semester Regular/Back Examination: 2024-25
SUBJECT: FINANCIAL DERIVATIVE
BRANCH(S): MBA, FM&HRM, LSCM, MBA (M & F), RM, BA, FM, GM, HRM, IB, MM
Time: 3 Hours
Max Marks: 100
Q.Code: R126
Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.
The figures in the right-hand margin indicate marks. Non programable calculator allowed

Part-I

Q1   **Answer the following questions:**   (2 x 10)
a)   What are derivatives? Give examples.
b)   Which types of derivative instruments are traded over the counter?
c)   What is the purpose of initial margin and maintenance margin?
d)   Explain long future positions and short future position.
e)   What are the roles of Clearing house in derivative market?
f)   What do you mean by normal backwardation and normal contago?
g)   What do you mean by theoretical value of futures contract?
h)   Explain the terms: Option writer, Option holder, and maturity date.
i)   What are the different types of options in terms of exercising the same.
j)   What is a covered call strategy?

Part-II

Q2   **Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)**   (6 x 8)
a)   Who are the major players of derivative market? Explain their functions in brief.
b)   The share of Z Ltd. is currently trading at Rs. 300. The risk free rate of interest is 8% p.a.. A three month futures contract is selling for Rs. 312. Is the future contract correctly valued? What shall be the strategy of an arbitrageur to derive profit, if any?
c)   Discuss the key factors that have an effect on the value of a call option.
d)   Consider the following data about calls on share A. Classify each of the options and show their intrinsic values and time values. (Price in Rupees)

Options	Exercise Price	Stock Price	Call Option Price
1	70	72.50	7.75
2	75	72.50	2.50

e) Consider the stock index is currently at 250. The dividend yield is 4% p.a., and the risk free rate is 6% p.a. A three month European call option on the index with a strike price of Rs. 245 is currently worth Rs. 10. What is the value of a three month put option on the index with a strike price of Rs. 245?

f) Distinguish between a derivative market and cash market.

g) Write a short note on the workings of stock index future.

h) Explain the concept of convergence and divergence of Futures and Spot prices with diagram.

i) "Options and futures are zero-sum games". Do you agree? Justify your answer.

j) Discuss with diagram straddle as a simple option trading strategy.

k) What are the differences between strangle and spread?

l) Derive the value of a call option in the binomial world using the replicating portfolio method and risk-neutral method.

Part-III
Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 Identify which of the following options are ITM, ATM, OTM for the buyer of the options. Which of these options will be exercised? Treat each case individually. **(16)**
a. RIL 1260 call when the price on expiry is 1300
b. L&T 820 put when the price on expiry is 820
c. ACC 490 call when the price on expiry is 450
d. TISCO 390 call when the price on expiry is 490
e. TTech 760 put when the price on expiry is 400
f. WIPRO 1370 call when the price on expiry is 1300
g. ITC 270 put when the price on expiry is 350
h. HUL 970 call when the price on expiry is 970.

Q4 Who are the users of derivative market? Discuss the advantages in trading in a derivative market. **(16)**

Q5 What is a swap? Explain the procedure involved in a swap involving a banking transactions and export and import of items. **(16)**

Q6 Discuss in short the following option Greeks: **(16)**
a. Delta
b. Gamma
c. Theta
d. Vega.

3rd Semester Regular/Back Examination: 2024-2025
SUBJECT: Advanced Management Accounting
BRANCH(S): MBA, FM, GM, MBA (M&F), MBA (FM & HRM), RM, HRM, IB, MM
Time: 3 Hours
Max Marks: 100
Q.Code: R222
Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.
The figures in the right-hand margin indicate marks.

Part-I

Q1 Answer the following questions: (2 x 10)
a) What is the objective of management accounting for an organization?
b) Define management accounting.
c) What do you understand by contribution margin?
d) How do you calculate cost of production?
e) Write short note on sales variance.
f) What is contract costing. Give suitable example.
g) Briefly define direct and indirect costs with examples.
h) What are responsibility acts?
i) Define cost unit and cost center. Give examples for each.
j) What is key factor?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)   (6 × 8)
a) What is cost accounting? Discuss its important objectives in a business entity.
b) Distinguish between fixed cost and variable cost. With a suitable example explain how these costs do affect the price of the goods.
c) Explain social cost benefit analysis. What factors are taken to calculate it?
d) How do you apportion the overhead expenses? Illustrate with examples.
e) Explain cost-volume-profit analysis.
f) Compare between Performance Budgeting and Zero-based Budgeting.
g) Explain few ways of controlling cost in project management.
h) Briefly explain ABC method of inventory management and its advantages for the organization.
i) What are the problems associated with marginal costing?
j) Given, Fixed cost is Rs 2 lakh, Profit volume ratio is 25 %. Compute the production quantity (in units) at which it reaches Break Even point.

k) Given, Quantity of Production = 10000 units, Fixed cost = Rs. 2,00,000/-, Variable cost = Rs. 10 per unit, Compute Profit amount using technique of marginal costing.

l) Describe briefly the main features of Process Costing.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 "Management accounting is an extension of financial accounting". Discuss this statement. **(16)**

Q4 The standard cost of material for a manufacturing unit producing a unit of product is estimated as follows: **(16)**

- 15 kg raw material @ 1.50 per kg
- On the completion of the unit, it was found that 20 kg of raw material costing @ Rs 2 per kg has been consumed.

Compute material cost variance.

Q5 Evaluate various methods of absorption of overhead expenses in a manufacturing unit. Justify apportionment of common expenses into different heads giving appropriate reasons. **(16)**

Q6 ABC company desires to enter a capital project with the following information. **(16)**

Investment outlay   Rs. 5000
Project life   5 years
Salvage value   0
Annual revenue   Rs. 6000
Annual cost (excluding depreciation, interest and taxes) Rs. 4000
Depreciation straight line.
Tax rate   40 %
Debt equity ratio   4:5
Cost of equity   18 %
Cost of debt   9 %

Calculate EVA of the project over its life.

Total Number of Pages: 02

Course: MBA
Sub_Code: 18MBA304B

3rd Semester Regular/Back Examination: 2024-25
SUBJECT: Project Appraisal and Financing
BRANCH(S): MBA, FM&HRM, LSCM, MBA (M & F), RM, BA, FM, GM, HRM, IB, MM
Time: 3 Hours
Max Marks: 100
Q.Code: R313
Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.
The figures in the right-hand margin indicate marks.

Part-I

Q1   **Answer the following questions:**   **(2 x 10)**
- **a)** What do you mean by project feasibility study?
- **b)** Explain UNIDO approach for project appraisal.
- **c)** What are the pre-requisites for the successful implementations of a project?
- **d)** What do you mean by social cost benefit analysis?
- **e)** What do you mean by benefit cost ratio? How do you calculate it?
- **f)** Discuss the tools & techniques of project management.
- **g)** What is project appraisal?
- **h)** List any four techniques of Risk Analysis.
- **i)** Explain the key element of good project plan.
- **j)** Describe the purpose and importance of project evaluation.

Part-II

Q2   **Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)**   **(6 x 8)**
- **a)** How is the investment projects in India evaluated from the social cost benefit point of view?
- **b)** Briefly discuss the importance of pre-feasibility and feasibility studies in ensuring success in operation phase of the project.
- **c)** What do you understand by a Detailed Project Report (DPR)? What are its contents?
- **d)** Explain the different key issues in project analysis with a suitable example of your choice.
- **e)** What are the steps involved in project appraisal by financial institutions?
- **f)** Explain different factors that you consider in environmental appraisal.
- **g)** Explain the various sources of finance available for the projects in India.
- **h)** What are critical success factors in Project Management? Explain the key elements of Control Process in a project.
- **i)** Why the project risk analysis is required? Discuss the procedure for analyzing the project risk.

j) What is a project execution plan? Explain with an example.

k) Interpret the different ways in which society will be divided while using UNIDO approach.

l) Explain in detail the technical parameters of appraising the project.

Part-III
Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 What aspects are considered in technical analysis of a project? What factors have a bearing on choice of technology? **(16)**

Q4 What types of information are required to study the commercial feasibility of a project? As a project manager how will you analyze these in formations? Discuss. **(16)**

Q5 What do you mean by Project risk analysis? Discuss the various methods to calculate the risk. **(16)**

Q6 What are critical success factors in Project Management? Explain the key elements of Control Process in a project. **(16)**