BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY & MANAGEMENT STUDIES, BHUBANESWAR

Semester : 8th Sem. IMBA   Date : 16.04.2025
Batch : 2021-26   Class Test : II
Subject : Security Analysis & Portfolio Mgmt.   Duration : 1 Hr.
Subject Code : 16IMN802D   Full Marks : 30

Section- A

1. **Answer any four out of following questions.**   [4 x 2 = 8]
    a. What does SD and Beta indicate pertinently?   [CO2]
    b. A company pays a dividend of Rs3.20 per share on a particular day. The price at the beginning of the year and at the end of the years are Rs140 and Rs20 respectively. Calculate the total return of the share.   [CO3]
    c. What do you mean by Efficient market Hypothesis   [CO3]
    d. Explain the concept of the trade-off between risk and return   [CO4]
    e. How many parameters should be estimated of risk and return profile of 60 stock portfolio using Markowitz and Sharpe model.   [CO3]

Section-B

2. **Answer any two questions out of following**   [2 x 6= 12]
    a. Evaluate and differentiate between Security Market Line and Capital Market Line? [CO4]
    b. Interpret three forms of Random walk theory.   [CO3]
    c. Information regarding two mutual funds and market index are given. Assuming the risk-free return as 5%, as a portfolio manager Analyse the differential return for the two funds.   [CO4]

Fund	Return %	SD%	Beta
Gold	7	15	0.72
Plat	16	35	1.33
Market Index	10	24	1

Section-C

3. **Answer any one out of following questions.**   [1 x 10= 10]
    a. The following data are available to you as portfolio manager.   [CO4]

Security	Estimated Return(%)	Beta	Standard Deviation(%)
A	30	2.0	50
B	25	1.50	40
C	20	1.00	30
D	11.5	0.8	25
E	10	0.5	20
Market Index	15	1	18
Govt. Security	7	0	0

    In terms of security market line which of the securities listed above are underpriced?
    b. Synthesize CAPM model in details with a neat diagram.   [CO4]

All the Best

Semester : 8th Sem. IMBA　　　　　Date : 15.04.2025

Batch : 2021-26　　　　　Class Test : II

Subject : Financial Derivatives　　　　　Duration : 1 Hr.

Subject Code : 16IMN802B　　　　　Full Marks : 30

Section- A

1.　**Answer any four out of following questions.**　　　**[4 x 2 = 8]**

　　a) Are swaps exchange-traded or OTC contracts? Justify your answer.　[CO4]

　　b) Define swap contracts and explain their key characteristics.　[CO4]

　　c) Describe long hedge and short hedge with an example for each.　[CO2]

　　d) Define option contracts and explain their purpose in financial markets.　[CO3]

　　e) Differentiate between the holder and writer of a call option with a real-world example.　[CO3]

Section-B

2.　**Answer any two questions out of following**　　　**[2 x 6= 12]**

　　a) Compare and contrast futures and options in terms of obligations, risks, and payoff profiles.　[CO3]

　　b) Apply the concept of moneyness to explain the value of options with the help of a practical example.　[CO3]

　　c) A stock price is currently trading at $ 20. It is known that at the end of 3 months the stock price will be $ 22 or $18. The risk free interest rate is 12% per annum with continuous compounding. What is the value of a 3 month European call option with a strike price of $ 21, use no arbitrage argument? (Using binomial option pricing model).　[CO3]

Section-C

3.　**Answer any one out of following questions.**　　　**[1 x 10= 10]**

　　a) Examine the different types of swaps with real-life examples and evaluate their use in financial risk management.　[CO4]

　　b) Draw and interpret the payoff diagrams for the following option positions:
　　Long Call
　　Short Call
　　Long Put
　　Short Put.　[CO3]

All the Best

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Semester : 8th Sem. IMBA   Date : 17.04.2025
Batch : 2021-26   Class Test : II
Subject : Advance Management Accounting   Duration : 1 Hr.
Subject Code : 16IMN803B   Full Marks : 30

Section- A

1.	Answer any four out of following questions.	[4 x 2 = 8]
(a)	Define normal loss?	[CO2]
(b)	Give two examples, where service costing is applied?	[CO2]
(c)	What do you mean by marginal cost?	[CO3]
(d)	Why budgeting is essential for an organisation?	[CO4]
(e)	Write down the concept zero base budgeting?	[CO4]

Section-B

2.	Answer any two questions out of following	[2 x 6= 12]
(I)	How By-product and Joint products are different, explain with examples?	[CO2]
(II)	Discuss Activity Based Costing with an example?	[CO3]

(III) Sale   Rs. 1,00,000
Profit   Rs.   10,000
Variable Cost   70 %
Find out:
(a) P/V Ratio
(b) Fixed Cost
(c) Sales Volume to earn a profit of Rs. 40,000.   [CO3]

Section-C

3.	Answer any one out of following questions.	[1 x 10= 10]
I)	Explain "make or buy" decision with an example?	[CO3]
II)	Give classification of budget with examples.	[CO4]

All the Best