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Total Number of Pages: 02

Course: IMBA
Sub_Code: 16IMN801B

8th Semester Regular Examination: 2024-25
SUBJECT: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
BRANCH(S): IMBA
Time: 3 Hours
Max Marks: 100
Q.Code: S066

Answer Question No.1 (Part-I) 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 financial investment?
 - b) What is speculation in stock market?
 - c) How do you compute return on investment in a share of company?
 - d) How can you measure risk of an investment? What is its formula?
 - e) What are the three steps involved in security analysis?
 - f) Which securities are termed as non-negotiable securities?
 - g) What is support and resistance level?
 - h) What is breadth of market?
 - i) What is odd lot trading?
 - j) Explain short sale with an example.

Part-II

- Q2** **Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)** **(6 x 8)**
- a) Explain the investment objectives.
 - b) The stock market classifies shares into five categories. What are they? Explain with examples.
 - c) What do you mean by fixed income securities? Explain in brief.
 - d) What do you mean by systematic risk? Explain the three type's risk which are included as systematic risk.
 - e) Distinguish between business risk and financial risk.
 - f) Explain the Capital Asset Pricing Model in detail.
 - g) What parameters should the investor consider under Economic analysis?
 - h) Distinguish between technical analysis and fundamental analysis.
 - i) Discuss the primary trend and secondary trend with diagram.
 - j) In a successive 10 sessions of trading in the stock market one share shows the prices to be Rs. 300, 301, 319, 317, 319, 333, 331, 332, 348, and 346. Compute the RSI and explain its relevance.

- k) Discuss the Random walk theory and bring out its essence.
- l) What is a portfolio? How do you compute the return and risk of the portfolio? Take three assets portfolio.

Part-III

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

(16 x 2)

- Q3 Discuss the steps involved in portfolio management clearly. (16)
- Q4 What are the methods of evaluation of performance of a portfolio? Explain the same. (16)
- Q5 Discuss the portfolio revision strategies. (16)
- Q6 The estimated rates of return, beta coefficients, and standard deviations of some securities are given below. The risk free rate of return is 8% and the market return is expected to be 20%. Determine which of the securities are overpriced or underpriced. (16)

Security	Estimated Return %	β	δ
A	35	1.60	50
B	28	1.40	40
C	21	1.10	30
D	18	0.90	25
E	15	0.75	20
F	12	0.60	18

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Course: IMBA
Sub_Code: 16IMN802B

8th Semester Regular/Back Examination: 2024-25

SUBJECT: FINANCIAL DERIVATIVES

BRANCH(S): IMBA

Time: 3 Hours

Max Marks: 100

Q.Code: S170

Answer Question No.1 (Part-I) 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 derivative? Give examples of financial products.
- b) What do you mean by 'OTC' trading?
- c) What do you mean by price volatility?
- d) What is credit risk in a forward contract?
- e) What are the different types of futures?
- f) What is offsetting?
- g) What is Mark to Market margin?
- h) What are initial margin and maintenance margin?
- i) Define Option.
- j) Explain American, European, and Bermuda Options.

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- a) Compare between a forward contract and Futures contract.
- b) Describe briefly the different types of financial derivatives.
- c) Discuss the innovations in derivatives so far.
- d) What are the features of a forward contract? Explain briefly.
- e) What do you mean by 'value of a forward contract'? How would you determine the value of a forward contract? Explain
- f) What are the functions of a clearing house?
- g) Calculate the basis from the following data:
Current futures price for delivery of the asset after 4 months is Rs. 10,500
Current cash (spot) price of the asset is Rs. 10,300
The rate of return is 12 % per annum.
- h) Calculate the expected rate of return for an underlying asset from the following information:
 $R_i = 10\%$, $R_m = 12\%$ and $Beta = 1.75$

- i) Distinguish between covered option and naked option.
- j) What are various option Moneyneess? Explain the same with examples.
- k) Discuss the lower bound of call option and upper bound call option pricing.
- l) Explain Binomial option pricing model.

Part-III

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

(16 x 2)

- Q3** There are three major participants in derivative markets. Explain their functions with suitable examples. (16)
- Q4** Discuss the factors contributing to the growth of financial derivatives in India. (16)
- Q5** What is margin money? Why is it collected? What are different forms of margin money? (16)
- Q6** Calculate the profit or loss from the following transactions: (16)
- Spot Price = Rs. 20,00,000
Interest Rate = 8 %
Storage Cost = 4 % of the commodity per annum
There is no transportation cost. Use cost of carry model.

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Course: IMBA
Sub_Code: 16IMN803B

8th Semester Regular/Back Examination: 2024-25
SUBJECT: ADVANCED MANAGEMENT ACCOUNTING
BRANCH(S): IMBA

Time: 3 Hours
Max Marks: 100
Q.Code: S224

Answer Question No.1 (Part-I) 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)

- What is Prime cost? How do you compute the same?
- What is conversion cost?
- What is Opportunity Cost? Explain with example.
- What is a flexible budget?
- What is the utility of marginal cost?
- What is angle of incidence? What is its relevance?
- Where do you adopt process costing?
- What are the components of indirect expenses?
- What is cost unit? Give four examples of cost unit specifying the industries using it.
- What is a master budget?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- What is standard cost? Why should it be computed? How is it arrived at?
- What is budgetary control? Explain its advantages.
- Distinguish between Joint product and by product.
- What is Margin of Safety? How do you find out the same? State its relevance.
- What is apportionment of overhead? Discuss the process of apportionment.
- How do you treat normal loss and abnormal loss in process costing?
- Distinguish between budgetary control and standard costing.
- Explain the components of Material Cost variance.
- Distinguish between Labour hour rate and Machine hour rate.
- What are the methods of costing? Explain their adoption in different industries.

- k) What is service costing? Discuss its features and the organisations required to go for service costing.
- l) Explain the different types of budgets prepared by a manufacturing company.

Part-III

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

(16 x 2)

- Q3** What is CPV analysis? Discuss its merits and uses. **(16)**
- Q4** Production and sale of an article = 1 lakh unit **(16)**
Variable cost = Rs. 50 per unit
Fixed Cost = Rs. 24 lakhs
Profit Margin is 25 % of Sales Price.
You are required to compute the selling price per unit and sales at BEP in terms of units.
- Q5** Explain the advantages and difficulties in installing a sound standard costing system. **(16)**
- Q6** What do you understand by absorption of overhead? Describe various methods of absorption of factory overhead. **(16)**