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Registration No.:

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Total Number of Pages: 02

Course: MBA
Sub_Code: MBPC3005

3rd Semester Regular Examination: 2025-26
SUBJECT: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
BRANCH(S): MBA, FM&HRM, LSCM, RM, BA, FM, GM, HCHM, HRM, MM

Time: 3 Hours
Max Marks: 100

Q.Code: U025

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)

- How is gambling different from investment?
- What is a stop order? How does it work?
- How is Line Chart different from Bar Chart?
- What is Japanese Candle stick? Explain the underlying concept in detail.
- What is arbitrage? Explain with an example.
- What is Aggressive revision policy?
- Explain Passive revision policy.
- Distinguish between SML and CML.
- What is Beta?
- Explain short Sale with an example.

Part-II

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

- Differentiate between systematic and unsystematic risk.
- Calculate the expected return and standard deviation of a security having the following probabilities and returns:

State	Probability	Return (%)
Boom	0.3	20
Normal	0.5	10
Recession	0.2	-5

- The following information is available:
Risk-free rate = 6 %
Market return = 14 %
Beta of security = 1.25
Calculate the expected return of the security using **CAPM**.
- A company is expected to pay a dividend of ₹4 next year. Dividends are expected to grow at 6 % per annum indefinitely. The required rate of return is 14 %. Find the **intrinsic value of the share**. Assume any data required you feel like using to solve the problem.

- e) A portfolio manager holds two stocks X and Y with the following data:
 $W_X = 0.4$, $W_Y = 0.6$, $\beta_X = 1.2$, $\beta_Y = 0.8$
 Find the portfolio beta.
- f) Explain the major assumptions and limitations of the Markowitz Model.
- g) Explain the concept of efficient frontier with the help of a diagram.
- h) Why is systematic risk un-diversifiable? Give four examples of factors that contribute to systematic risk.
- i) Explain with a diagram Support and Resistance Patterns.
- j) Explain the characteristics of different types of Speculators.
- k) What do you mean by EMH? Explain the different forms of efficiency.
- l) How many parameters must be estimated to analyse the risk-return portfolio of a 50-stock portfolio using Markowitz model and Sharpe model?

Part-III

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

Q3 The following data relate to three mutual funds: (8 x 2)

Fund	Average Return (%)	Standard Deviation (%)	Beta
X	18	10	1.2
Y	15	8	0.9
Z	20	12	1.5

Risk free rate is 6% and Market Return is 14%

- a) Compute **Sharpe**, **Treynor**, and **Jensen (Alpha)** performance measures for each fund.
- b) Rank the funds based on performance and interpret which is better for a moderate-risk investor.

Q4 Describe the portfolio management process. (16)

Q5 Critically discuss the role of fundamental and technical analysis in security valuation (16)

Q6 a) Explain the concept and calculation of Relative Strength Index (RSI) with a worked example using the following data of closing prices: (8 x 2)

Day	Price (₹)	Day	Price (₹)
1	100	6	107
2	102	7	106
3	104	8	108
4	103	9	109
5	105	10	107

- b) Discuss how RSI helps investors identify **overbought** and **oversold** conditions.

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Course: MBA
Sub_Code: MBPC3006

3rd Semester Regular Examination: 2025-26
SUBJECT: DERIVATIVES AND RISK MANAGEMENT
BRANCH(S): MBA, FM & HRM, LSCM, RM, BA, FM, GM, HCHM, HRM, MM
Time: 3 Hours
Max Marks: 100
Q.Code: U107

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)
- Define a derivative and explain its economic purpose.
 - What is Value at Risk (VaR)?
 - State any two advantages of OTC derivatives.
 - What is delta (Δ) in options?
 - Define hedging. How is it different from speculation?
 - What do you mean by mark-to-market in futures trading?
 - Differentiate between a European option and an American option.
 - What is a clearing house? State its role.
 - Define basis risk in futures markets.
 - What is the difference between a forward contract and a futures contract?

Part-II

- Q2** Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)
- Explain the features of forward contracts with suitable examples.
 - Discuss operational risk and its management techniques.
 - What is credit default swap (CDS)? Explain its working mechanism.
 - Explain Greeks in options with examples.
 - What is hedging effectiveness? How is it measured?
 - An investor buys a call option on a stock with a strike price = ₹1,200 and pays a premium of ₹60. If at expiry the stock price is ₹1,340, calculate the payoff and net profit.
 - A stock index is currently at ₹6,000. The risk-free rate is 6% p.a. Calculate the 6-month forward price (no dividends).
 - Explain "put-call parity" with a diagram.
 - Differentiate between protective put and covered call strategies.
 - Explain interest rate swaps and outline their applications.

- k) Discuss the functions and importance of financial derivatives in modern risk management
l) What is cross-hedging? Explain with an example.

Part-III

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

- Q3** Explain the Black–Scholes Model for option pricing. What are its assumptions, limitations, and applications in Indian market? **(16)**
- Q4** Discuss in detail various types of risks faced by financial institutions and explain the tools used for risk measurement and mitigation **(16)**
- Q5** A rice mill expects to buy 50 tons of paddy after 3 months. Future contracts are available for 10 tons per contract at ₹35,000 per ton. **(16)**
- How many futures contracts should the mill enter into to hedge the price risk?
- If after 3 months the spot price becomes ₹38,000/ton and the futures price becomes ₹37,500/ton, calculate the effective purchase price for the mill after hedging.
- Q6** Explain and illustrate with examples how value-at-risk (VaR), stress testing, and back-testing help in an integrated risk management framework. **(16)**

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Course: MBA
Sub_Code: MBPC3007

3rd Semester Regular Examination: 2025-26
SUBJECT: INDIAN FINANCIAL SYSTEMS AND SERVICES
BRANCH(S): MBA, FM & HRM, LSCM, RM, BA, FM, GM, HCHM, HRM, MM
Time: 3 Hours
Max Marks: 100
Q.Code: U224

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)

- Why the Indian Financial System is considered the backbone of economic growth?
- Name the major components of the Indian Financial System.
- What makes cooperative banks vital for rural credit delivery?
- Mention any two recent reforms in the Indian banking sector.
- How does digital banking redefine customer experience today?
- What is the difference between risk pooling and risk transfer in insurance?
- What is the role of IRDA in India?
- What is meant by Money market instruments?
- What role does SEBI play in maintaining market integrity?
- Why do investors prefer mutual funds over direct stock market investments?

Part-II

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

(6 x 8)

- Describe the major reforms in the Indian Banking System after liberalization (1991 onwards).
- Explain different types of deposit and loan products. How do these help banks in mobilizing resources?
- Illustrate how technology has changed the face of Indian banking through UPI, NEFT, and RTGS.
- Compare Life Insurance and Non-life Insurance with respect to coverage, benefits, and target customers.
- Discuss the working of Self-Help Groups (SHGs) in promoting financial inclusion under microfinance.
- Explain the key instruments and players of the Indian Money Market with recent examples.
- Discuss the process of issuing an IPO under SEBI guidelines. Give examples of recent IPOs in India.

- h) Describe the functions and trading mechanism of the Secondary Market.
- i) Explain the importance of online trading and the role of a Demat account in the capital market.
- j) Compare mutual fund investments with stock market investments in terms of risk, return, and liquidity.
- k) Discuss the key exit routes available to venture capitalists in India.
- l) Compare and contrast Leasing and Hire Purchase with examples from business financing practices.

Part-III

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

- Q3 Critically analyze the structure and functioning of the Indian Financial System. How do reforms, innovation, and regulation together ensure financial stability and inclusion? (16)
- Q4 Evaluate the changing face of the Indian Banking and Insurance sectors. Discuss how regulatory reforms (RBI, IRDAI), digital transformation, and customer-centric strategies are shaping their growth. (16)
- Q5 Discuss the interrelationship between the Money Market and Capital Market in India. Analyze how their instruments, participants, and functioning influence liquidity, credit flow, and capital formation. (16)
- Q6 Mutual Funds and Venture Capital play a vital role in mobilizing savings for productive use. Analyze their contribution to entrepreneurship, innovation, and capital market development in India. (16)

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Course: MBA
Sub_Code: MBPC3008

3rd Semester Regular Examination: 2025-26
SUBJECT: Project Appraisal and Financing
BRANCH(S): MBA, FM&HRM, LSCM, RM, BA, FM, GM, HCHM, HRM, MM
Time: 3 Hours
Max Marks: 100
Q.Code: U322

Answer Q1 (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 are the key characteristics of a project?
 - Explain project taxonomy with suitable example.
 - What attributes make good project manager?
 - What is social cost benefit analysis?
 - What are the main components of the capital cost of a project?
 - Explain the need of environment appraisal in project evaluation.
 - What are the major sources of project financing?
 - What is project risk analysis?
 - What is public private partnership and how do they help in project infrastructure development?
 - What is the importance of technical appraisal?

Part-II

- Q2** Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)
- Explain the steps involved in project identification and preliminary screening of project ideas.
 - What is zero based project formulation? Explain its advantages over traditional project formulation approaches.
 - Describe the components of detailed feasibility study report and its relevance in project appraisal.
 - Discuss the role of financial institutions in project financing. What are covenants attached to lending?
 - A project has the following capital cost components:
Land and Site development is Rs. 40 lakhs.
Building and civil works cost Rs. 120 lakhs.
Plant and machinery are Rs. 200 lakhs.
Preliminary expenses are Rs. 10 lakhs.
Contingencies are 5 % of total basic cost.
Calculate the total project cost.
 - Explain the components of Social Cost Benefit Analysis and its significance for evaluating public sector project like expansion of a public road from Jayadev Vihar Square, Bhubaneswar to Nandan Kanan Square, Bhubaneswar.

- g) A project financing structure includes:
 Equity share capital is Rs. 100 lakhs.
 Term loan is Rs. 200 lakhs at 10 % interest.
 Working capital loan is Rs. 50 lakhs at 12 % interest.
 Calculate the weighted Average Cost of Capital (WACC) if the cost of equity is 10%.
- h) An infrastructure project under PPP has the following cash flows:
 Initial cost Rs. 500 lakhs.
 Year1-5 Revenue is Rs. 180 per year.
 Year1-5 Operating cost is Rs. 60 Lakhs per year.
 Calculate the Annual Net Cash Inflow and the Pay Back period.
- i) A project has the following probability of distribution of demand:
 High demand is 20,000 units (P = 0.3)
 Medium Demand 15,000 unit (P = 0.5)
 Low Demand 10,000 units (P = 0.2)
 Selling Price is Rs. 200 per unit.
 Variable cost Rs. 120 per unit.
 Fixed Cost Rs. 8,00,000
 Compute the expected annual profit.
- j) Discuss the various methods of financial appraisal for the success of a project.
- k) Discuss the various techniques of risk analysis in case of a newly started project.
- l) Explain the various objectives and methods of project evaluation.

Part-III

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

- Q3 Discuss various types of project appraisal. Explain why a multi-dimensional appraisal approach is essential for sound project evaluation. (16)
- Q4 Discuss the characteristics and issues related to infrastructure project in India? Explain how project monitoring and control in ensuring successful project implementation? (16)
- Q5 A project has the following estimated capital costs: (16)
 Land and development Rs. 80 lakhs.
 Building and civil work Rs. 150 lakhs.
 Plant and Machinery Rs. 300 lakhs.
 Preliminary and pre operative expenses Rs. 20 lakhs.
 Contingencies are 7 % of basic cost.
 Additional Information:
 Working Capital requirements Rs. 75 lakhs.
 Margin money for working capital is 25 % of working capital.
 Interest during construction is 12 % of sum of capital costs excluding contingencies.
 You are required to calculate the total project cost.
 Prepare a capital cost sheet showing all the components of costs clearly.
- Q6 Why do you consider Project Appraisal is essential for a business enterprise? Explain with arguments. (16)