

Q.P. Code: 00005635

[Time: 3.00 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

Instructions :

1. Q1 (20 marks) & Q8 (15 marks) are compulsory.
2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7.
3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any one out of two sub – questions. Each sub – question would carry 10 Marks.
4. Figures to the right indicate full marks.
5. Draw neat diagrams wherever necessary.

Q.1 Read and attempt the following:

(A) Fill in the blank

10 Marks

- i. are considered to be the most risky investment.
- i. The for some future period is known as the expected return.
- ii. may need to consider other approaches to improve market outcomes, such as reducing information asymmetry or promoting competition.
- iii. The has important implications for financial regulation.
- iv. In stage, the industry might start to shrink or grow at lower rate than the overall economy.
- v. Industry life cycle is divided into stages.
- vi. A measure or indicator of anything is called an.....
- vii. A type of fund management is "indexing."
- viii. are similar to index funds
- ix.is an index that is used to gauge the general effectiveness of a mutual fund.
- x. Therefers to the marketplace where investment funds like bonds, shares, and mortgages are traded.

(B) State whether True or false.

10 Marks

- i. The risk-return trade-off is foundational to investment strategies.
- ii. Short-selling involves owning securities rather than borrowing them.
- iii. Behavioural finance explores how psychological factors affect investor decisions.
- iv. All investors behave rationally and are unaffected by emotions in decision-making.
- v. Diversification can help reduce risk in a portfolio.
- vi. Diversifying within a single asset class does not reduce overall portfolio risk.
- vii. Liquidity refers to how quickly an asset can be converted into cash.
- viii. Illiquid securities always carry a higher return due to their risk profile.
- ix. Fixed income securities are typically less risky than equities.
- x. All fixed income securities guarantee 100% principal repayment at maturity.

Q.2 Attempt any Two of the following:

10 Marks

- i. What do you mean by securities?
- ii. Explain the characteristics of Securities market.

- iii. Write note on structure of securities market.

Q.3 Attempt any Two of the following:

10 Marks

- i. Describe the various types of securities.
- ii. Enumerate the difference between Equity and Hybrid securities.
- iii. Write note on Probability V/s Absolute loss in risk management.

Q.4 Attempt any Two of the following:

10 Marks

- i. Explain Random Walk theory
- ii. Discuss the significance of Efficient Market Hypothesis
- iii. What are the uses of Efficient Market Hypothesis?

Q.5 Attempt any Two of the following:

10 Marks

- i. Write note on Company analysis.
- ii. Discuss the industry life cycle stages.
- iii. What is P/E ratio?

Q.6 Attempt any Two of the following:

10 Marks

- i. Write note on warrants.
- ii. What do you understand by Bond Valuation?
- iii. Explain the difference Between Warrants and Convertibles.

Q.7 Attempt any Two of the following:

10 Marks

- i. Write a note NSE?
- ii. Write a note on BSE?
- iii. Explain the concept of benchmarking.

Q.8 Write short notes on Any three from the following:

15Marks

- i. Capital Market Line (CML)
- ii. Security Market Line (SML)
- iii. Portfolio Theory
- iv. Efficient Market Hypothesis
- v. Technical Analysis
