

(3 Hours)

[Total Marks : 80]

- N.B. :** (1) Question No. 1 is **compulsory**.
 (2) Attempt any **three** questions from the Q. No. 2 to Q. No.5.
 (3) Working should be **part** of your answer.

1. (a) Multiple choice question :

10

(i) Objectives of investments are _____ .

- (a) Safety
- (b) Income
- (c) Growth of capital
- (d) All of the above.

(ii) Fiscal deficit = _____ .

- (a) Total expenditure [revenue+capital] - [revenue receipts+capital receipts]
- (b) Total expenditure [revenue+capital] - [revenue receipts+capital receipts]
- (c) Total expenditure [revenue+capital] - [revenue receipts+non debt capital receipts]
- (d) Total expenditure [revenue+capital] - [revenue receipts+capital receipts]

(iii) Industry life cycle have _____ stages.

- (a) 4
- (b) 3
- (c) 2
- (d) 6

(iv) SWOT analysis stands for _____ .

- (a) Superior work opportunity threat
- (b) Strength weakness opportunity threat
- (c) Superior weakness opportunity threat
- (d) Strength work optimum threat.

(v) Five force model is given by _____ .

- (a) Porter
- (b) David
- (c) Smith
- (d) Taylor

(vi) A line that describes the relation between an individual securities' return at the return on the market portfolio.

- (a) security market line
- (b) capital market line
- (c) characteristics line
- (d) beta

(vii) Current ratio = _____

- (a) TA/TL
- (b) CA/CL
- (c) CA-Prepaid expense/CL
- (d) CA/CL-Bank overdraft

[TURN OVER]

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(viii) Charting techniques are _____ .

- (a) Line chart (c) Candle stick charts
(b) Bar charts (d) All of the above

(ix) CAPM = _____ .

- (a) $R_f + \beta (R_m - R_f)$ (c) $R_f + \beta (R_m = R_f)$
(b) $R_m + \beta (R_m - R_f)$ (d) $R_f - \beta (R_m + R_f)$

(x) EMH stands for _____ .

- (a) Efficient markup hypothesis
(b) Efficient market hypothesis
(c) Economic market hypothesis
(d) Efficient market hyperbola.

(b) Match the columns :

10

Column A	Column B
1) EBIT	a) Payment in cash
2) CAPM	b) Random Walk test
3) Combined leverage	c) Earnings before interest and tax
4) Cash outflow	d) $K_d = 1(1 - T)$
5) Cost of Debentures	e) Economic value added
6) EVA	f) $R_f + \beta (R_m - R_f)$
7) Porter's Five force model	g) $OL \times FL$
8) Quick Ratio	h) Decline stage
9) Industry life cycle	i) Bargaining power of suppliers
10) Empirical Test	j) QA / QL

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2. (a) What are the different types of risks? **10**
- (b) The following Trading and Profit and Loss Account of Revati Ltd. for the year 31-3-2020 is given below : **10**

Particulars	₹	Particulars	₹
To Opening Stock	76,250	By Sales	5,00,000
To Purchases	3,15,250	By Closing Stocks	98,500
To Carriage and Freight	2,000		
To Wages	5,000		
To Gross Profit b/d	2,00,000		
	5,98,500		5,98,500
To Administration expenses	1,01,000	By Gross Profit b/d	2,00,000
To Selling and Dist. expenses	12,000	By Non-operating incomes	
To Non-operating expenses	2,000	Interest on Securities	1,500
To Financial Expenses	7,000	Dividend on shares	3,750
To Net Profit c/d	84,000	Profit on sale of shares	750
	2,06,000		2,06,000

Calculate:

- (i) Gross Profit Ratio (iv) Net Profit Ratio
- (ii) Expenses Ratio (v) Stock Turnover Ratio
- (iii) Operating Ratio
3. (a) Explain the Industry Life Cycle analysis. What are its limitations? **10**
- (b) Explain the importance of Eco's analysis and state the Eco's factors considered for the analysis. **10**
4. (a) Distinguish between futures and options. **10**
- (b) What are the advantages of option trading? **10**
5. **Short notes (attempt any four) :** **20**
- (a) CAPM
- (b) Capital Market line
- (c) Types of chart pattern
- (d) Dow theory
- (e) Ratio Analysis
- (f) Types of option