

(3 Hours)

[Total Marks : 80]

N.B. : (1) Question No. 1 is **compulsory**.(2) Attempt any **three** questions no. 2 to 5, **each** carrying **20** marks.(3) **Figures** to the **right** indicate **full** marks.(4) Working notes should form the **part** of your answer.(5) Use **simple** calculator is **allowed**.1. (a) Select appropriate answer from alternatives given below and rewrite the statement: **5**

(i) As per fundamental analysis, what is studied at the core?

(a) Economy

(c) Industry

(b) Company

(d) Inflation

(ii) Outflows of the Foreign Institutional Investors (FII) affect the stock market-

(a) Positively

(c) Remains constant

(b) Negatively

(d) Brings balance

(iii) Which of the following is a Charting technique?

(a) Pie Chart

(c) Bar Chart

(b) Donut Chart

(d) Flow Chart

(iv) What shows the Efficient Frontier of the investor?

(a) CML

(c) EMT

(b) SML

(d) Separation Theorem

(v) What is called the Margin Money which is collected from the participants of Future contract by the Clearing House?

(a) Pay-back Money

(c) Initial Money

(b) Time Deposit

(d) Last-Traded Money

(b) Suggest appropriate word/phrase for the following statements: **5**

(i) Fundamental Analysis is the method of analysing based on factors that affect their –

(ii) Stage of the Primary Bull Market –

(iii) The portfolio which has the highest expected returns at a given level of risk –

(iv) An empirical test on Strong form of market –

(v) The Derivatives that obligate a seller to sell an asset or a buyer to buy an asset at a predetermined price and at a predetermined time in the future?

[TURN OVER]

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- (c) State whether the following statements are **True** or **False** and rewrite them : **5**
- If $IV > MP$ then - Buy the Securities.
 - When interest rates rises, Consumer spends more.
 - Common sense decision rule of profit maximization - Buy at Low, Sale at High.
 - In SML, Systematic risk after eliminating the unsystematic risk could be measured by Beta unit.
 - Settlement Market facilitates the smooth operation of Future trading.
- (d) Match the pairs of type of industry in column 'A' with the relevant activities carried out under that industry in column 'B'. **5**

No.	Column A	No.	Column B
(i)	Extractive Industries	(A)	Cattle breeding
(ii)	Genetic Industries	(B)	Television Industry
(iii)	Construction Industries	(C)	Mining
(iv)	Analytical Industries	(D)	Oil refining
(v)	Assembly Line Industries	(E)	Bridges

2. (a) Explain in detail about the complete life cycle for an industry. **10**
- (b) Explain Japanese Candlestick Charts. **10**
3. (a) Consider two securities, P and Q, with expected returns of 15% and 24% respectively, and standard deviation of 35% and 52% respectively. Calculate the standard deviation of a portfolio weighted equally between the two securities if their correlation is - 0.9. **10**
- (b) Explain the Three Stages of Primary Bull Markets and Primary Bear Markets. **10**
4. (a) Write in detail on 'Types of Future Contract'. **10**
- (b) Explain the Clearing and Settlement System for Option Trading. **10**
5. Write **short notes** on any **four** : **20**
- Effect of Technology and Research the growth of an industry.
 - Business Model affecting the value of Stock prices of the Company.
 - Efficient Portfolio.
 - Capital Market Line.
 - Advantages of Option Trading.