

**UNIVERSITY OF PETROLEUM
AND ENERGY STUDIES**



End Semester Examination – May, 2017

Program/course: BBA - FSM

Subject: Securities Analysis and Portfolio Management

Code : BBCG 124

No. of page/s: 03

Semester – IV

Max. Marks : 100

Duration : 3 Hrs.

Section - A 5x2 = 10 Marks

1. The net wealth of the aggregate economy is equal to the sum of
 - a) All physical assets.
 - b) All financial assets.
 - c) All real assets.
 - d) All real and financial assets.

2. Which one of the following schemes helps in reducing tax liability?
 - a) Real estate.
 - b) National Saving Certificate.
 - c) Equity Share.
 - d) Savings Bank Account.

3. Diversification reduces
 - a) Inflation risk.
 - b) Market risk.
 - c) Interest rate risk.
 - d) Unique risk.

4. Which one of the following is efficient portfolio?
 - a) Highest return at a particular level of risk.
 - b) Minimum risk for given levels of return.
 - c) Higher return at the same risk of lower risk.
 - d) Lower return at the lower risk.

5. Price of the scrips which is prevailing in the market @ Rs 116 and its price of same scrips one week before was 110 what is the oscillator for those scrips?

Section - B 4x10 = 40 Marks

1. Explain detail about sources of investment information available for the internal and external investors?
2. What are the aspects which taken into account for doing company analysis?
3. Explain about forms of Efficient market hypothesis and brief on assumptions & test of random walk theory.
4. What are the process and principles (any 5) of portfolio management?

Section - C 50 Marks

1. Find the expected return and risk of the following stocks: (15 marks)

State	Probability	Return on Stock A	Return on Stock B
1	20%	5%	50%
2	30%	10%	30%
3	30%	15%	10%
3	20%	20%	-10%

2. Sunil owned five securities at the beginning of the year in the following amount and with the following current and expected end of year price: (15 marks)

Security	Share amount Rs	Current price Rs	Expected year – end price Rs
A	150	40	55
B	100	30	40
C	85	20	25
D	90	30	35
E	125	40	45

What is the expected return on Sunil's portfolio for the year?

3. Find the 5 days moving average for the following share price: (5 marks)
Past 10 days price of shares are 12, 14, 14, 16, 18, 12, 14, 16, 18, 20.
4. From the following profit and loss Account and balance sheet relating to Ramesh Company presented as on 31 s March, 2003 : (15 marks)

Trading & Profit and Loss Account

particulars	Rs	particulars	Rs

To Opening Stock	3,000	By Gross Sales	2,00,000	
To Purchase	1,20,000	Less: Sales Return	5,000	1,95,000
To Wages (Direct)	7,000	By Closing Stock		5,000
To Gross Profit <i>cld</i>	70,000			
	2,00,000	By Gross Profit <i>bld</i>		2,00,000
To Administrative Expn.	15,000	By Dividend Received		
To Selling and Distribution expenses	20,000			70,000
To Loss on sale of Fixed Assets	5,000			10,000
To Net Profit	40,000			
	80,000			80,000

Balance Sheet as on 31st March 2002

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Equity Share Capital (5000 Equity Shares of 100 each)	5,00,000	Land	1,50,000
General Reserve	50,000	Building	2,00,000
Profit and Loss <i>Alc</i>	70,000	Plant & Machinery	2,00,000
Sundry Creditors	80,000	Stock	80,000
		Debtors	50,000
		Bank Balance	20,000
	7,00,000		7,00,000

From the above information you are required to calculate:

- a) Gross Profit Ratio.
- b) Operating Ratio.
- c) Operating Profit Ratio.
- d) Current Ratio.
- e) Liquid Ratio.
- f) Stock Turnover Ratio.
- g) Debtor's Turnover Ratio.