Name: **Enrolment No:**	UPES UNIVERSITY OF TOMORROW

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

END Semester Examination, DEC. 2023

Course: Smart Money Management **Semester: V**
Program: INT. B.COM - MBA **Time: 3 Hours**
Course code: FINC3054 **Max. Marks: 100**
Instructions: Attempt all Questions

Q1	**SECTION A (Objective, True/ False)**		**(10 * 2 Marks Each) - 20 Marks)**
A	You save Rs 6000 a month for 14 years, how much these savings will grow if rate of return on investments is 14.5% p.a.? Rs.33.42 lakh b) Rs.33.79 lakh c) Rs.34.78 lakh d) Rs.32.76 lakh e) None of the above	**CO1**	**2**
B	No asset is risk free.	**CO1**	**2**
C	What is Asset Allocation? a) Asset Allocation is division of assets in cash and debt investments b) Asset Allocation is the allocation of distributable assets c) Asset Allocation is investment in different asset classes d) Asset Allocation is allocation of money in different sectors e) Asset Allocation is guided by distribution of assets to next generation	**CO1**	**2**
D	Same asset cannot held for the purpose of investment & speculation.	**CO1**	**2**
E	Asset allocation strategies is guided by a) Portfolio diversification b) Client’s risk profile c) Objectives of the client d) All of the above	**CO1**	**2**
F	All feasible portfolios are efficient.	**CO1**	**2**
G	Financial planning activities involve: a) Tax management. b) Asset allocation. c) Equity selection. d) Keeping track of dividends received on securities	**CO1**	**2**
H	In times of inflation, equity is better investment than bonds.	**CO1**	**2**
I	Financial goals do not include a) Buying a home b) Earning the maximum return c) Planning for retirement d) Saving for child's education	**CO1**	**2**
J	Investors are Risk Seekers.	**CO1**	**2**

SECTION B		(4* 5 Marks Each -20 Marks)	
Q2.	What is financial investments? How it is different from real investments?	**CO2**	**5**
Q3.	What is the best option for growing my wealth with minimum investment?	**CO2**	**5**
Q4.	How can total risk on a security be calculated? Explain with the help of a hypothetical example?	**CO2**	**5**
Q5.	When do I know it is the right time to invest in stock markets?	**CO2**	**5**

SECTION-C **(3* 10 Marks Each- 30 Marks)**

Q6 (**CO3**, **10**)

Following information is available in respect of three mutual funds schemes.

Mutual Fund	Actual Returns %	Beta	S.D (%)
A	14	0.7	21
B	26	1.2	30
B	24	1.15	29

The return on market index is 22% and standard deviation of return on market index is 25%. Risk free rate is 5%
Calculate **Sharpe Ratio, Treynor Ratio & Jensen Alpha** for ALL mutual funds and market index and RANK THEM & STATE REMARKS in terms of Under/Out performed the market.

Q7 (**CO3**, **10**)

The relevant details of a company are:
Annual turnover Rs.60 Lakhs
Operating profit 18%
Equity share capital Rs.20 lakhs (FV Rs.100)
Capital reserves Rs.5 Lakhs
14% preference share capital Rs.20 Lakhs
11% Term Loan Rs.10 Lakhs
10% Debt Rs.10 Lakhs
Tax rate 30%, Dividend payout ratio 40%, P/E=30

Find out:
(1) EPS
(2) DPS
(3) MARKET PRICE
(4) EARNING YIELS
(5) DIVIDEND YIELD

Q8 (**CO3**, **10**)

Retirement planning is an essential part of financial planning. Explain this statement with respect to the numerical done in the class taking hypothetical figures.

OR

Explain EIC (Economy-Industry-Company) approach.

	SECTION-D Attempt any Two (2* 15 Marks Each- 30 Marks)		
Q9	Mr. S. Presently having age of 26. His monthly expenditure is Rs.20000. He wants to get retire at the age of 62. The current and expected rate of inflation is 6%. Calculate roughly at the age of 62 What would be his monthly Expenditure. By various methods Rule of 72, Rule of 69 and TVM	**CO4**	**15**
Q10	What is expected return? How can it be calculated if a probability distribution of returns is given? Illustrate with the help of a hypothetical example.	**CO4**	**15**
Q11	Explain the following : (i) Business Risk (ii) Financial Risk OR Mr. Mehta wants to calculate average return of a share of Infy.com Ltd. currently available at a price of Rs. 260 on 31st December, 2013. The share price at the end of year 2007, 2008, 2009, 2010, 2011 and 2012 were Rs.100,125, 118, 130, 120, and Rs.140. The share did not pay any dividend over these years. Calculate average return on the shares of Infy.com Ltd. (i) using arithmetic mean (ii) using geometric mean.	**CO3** **CO4**	**15**