

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2014-16)
Fourth Trimester (Fin.) Examination September 2015

Subject	Financial Markets & Services		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	30.09.2015

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Based on the data, calculate the following (20 Marks)

- A.** Average cost per share based on cost averaging and value averaging
- B.** Profit per share based on cost averaging and value averaging
- C.** Total profit based on cost averaging and value averaging
- D.** Discuss cost averaging vs. value averaging

Monthly investment of Rs 5,000

Period	NAV (Rs)
1	20.0
2	19.0
3	18.0
4	19.0
5	20.0
6	21.0
7	18.0
8	15.0
9	16.5
10	18.0
11	17.0
12	20.0

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Types of mutual funds
- b) Discuss index funds and exchange traded funds (ETFs)
- c) Explain the structure of mutual funds?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Discuss price to earnings (P/E) ratio and its theoretical and practical interpretations.
- b) Discuss price to book value (P/BV) ratio and its theoretical and practical interpretations.
- c) Explain Dogs of Dow and Small of Dogs of the Dow

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the risks involved in holding Government securities? What are the techniques for mitigating such risks?
- b) What is Money Market? What are the different money market instruments?
- c) Discuss coupon yield, current yield and yield to maturity.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is IRR? Describe its advantages and disadvantages?
- b) What is weighted average cost of capital (WACC)? Discuss with example.
- c) Discuss cost of equity. What is Beta value?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Discuss sector-specific or sectoral indices of Bombay Stock Exchange (BSE). Discuss practical shortcoming of these indices.
- b) Elaborate on systematic and unsystematic risk.
- c) Discuss growth investment strategy. Its pros and cons

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Discuss cyclical industries and defensive industries.
- b) Discuss seven qualities / criteria suggested by Benjamin Graham for the selection of common stock for the defensive investors
- c) Explain stock split and bonus shares with examples