

SEAT No. _____ No. of Printed Pages : 2

[107A6]

SARDAR PATEL UNIVERSITY
TY BBA(ISM) SEMESTER VI CBCS
SECURITY ANALYSIS (UM06CBBS05)
3rd APRIL 2017 MONDAY
TIME: 10 A.M. TO 12 P.M

Total Marks 60

No. of Pages:02

- Q:1 (a) Discuss the term Investment, Speculation and Gambling and explain working system of stock exchange. (07)
- Q:1 (b) Write a note on : BSE & OTCEI (08)
- OR**
- Q:1 (a) What are the defects of Indian stock market? (07)
- Q:1 (b) Define the term stock exchange and describe the function of stock exchange. (08)
- Q:2 What do you mean by the term security analysis? –State Economic , Industry and company Analysis as a part of fundamental analysis (15)
- OR**
- Q:2 (a) Write a note on efficient market hypothesis (07)
- Q:2 (b) Discuss in detail the Dow theory. (08)
- Q:3 (a) A company proposes to sell 10 year debentures of Rs. 10,000 each. The company would repay Rs. 1000 at the end of each year & will pay interest annually at 15% on outstanding amount. Determine present value of the debenture issue if the capitalization rate is 16%. (08)
- (b) The following is the dividend pattern of a company over last 6 years. (07)

Year	DPS
1	4.5
2	4.86
3	5.25
4	5.67
5	6.12
6	6.61

If the capitalization rate is 10% what is the value of such share?

OR

- Q:3 (a) Write a note on concept of value (05)
- Q:3 (b) (1) Kian Ltd issues 10% redeemable bond of face value Rs. 100 will be redeemed at 10% premium after 5 years. Find the value of Bond if interest is paid a) Annually b) Quarterly c) Half yearly (10)

(2) Jian Ltd issues 100 Rs. Perpetual Bond which is currently selling for Rs. 95. The coupon rate of interest is 13.5% and discount rate is 15% calculate the value of the bond should it be brought? What is its YTM?

Q:4 (a) Give the meaning of Investment portfolio and discuss the steps of it in details. (10)

Q:4 (b) Het Ltd is currently selling a share at Rs. 100. It is expected that a dividend of Rs. 4 per share would be paid during the year and the share could be sold at Rs. 108 at the end of the year. Calculate the expected return from the shares. (05)

OR

Q:4 (a) Define the term Risk and Return and explain Arbitrage Pricing Theory (08)

Q:4 (b) Explain Capital Assets Pricing Model (CAPM) (07)

*** BEST OF LUCK ***