

[A-2] Seat No. \_\_\_\_\_

No. of printed pages: 02

**SARDAR PATEL UNIVERSITY**  
**BBA (ITM) (VII Semester) Examination**  
**Monday, 5<sup>th</sup> December**  
**2016**

**10.00 am - 12.00 pm**

**UM07EBBI04 : Investment Analysis and Portfolio Management - I**

**Total Marks: 60**

Note: (1) Figures to the right indicate full marks of each question.  
 (2) All working notes are part of the answer.

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- Q1[a] Compare following investments in terms of risk, return, marketability, tax shelter and convenience: [12]
- |                              |                     |
|------------------------------|---------------------|
| ▪ Equity shares              | ▪ Life Insurance    |
| ▪ Non-convertible debentures | ▪ Residential house |
| ▪ Banks deposits             | ▪ Gold and silver   |
| ▪ Public provident fund      | ▪ Mutual fund       |
- Q1[b] Mention various sources of investment information. [03]
- OR
- Q1[a] What are the investment opportunities available for foreign citizens of Indian origin? [05]
- Q1[b] Differentiate investment from speculation and gambling. [07]
- Q1[c] Explain the term security analysis. [03]
- Q2 Answer following questions: [15]
- 1 Distinguish between capital market and money market.
  - 2 Explain the structure of capital market.
  - 3 Write a note : OTCEI
- OR
- Q2[a] Give overview of financial markets. Also discuss Forex market and Derivative market. [10]
- Q2[b] Explain the functioning of inter-connected stock exchanges of India. [05]
- Q3 'The analysis of macro economic environment is essential to understand the behavior of the stock prices.' Explain with reference to commonly analyzed macro economic factors in detail. [15]
- OR
- Q3[a] What do you understand by top-down analysis? [08]
- Q3[b] Explain SWOT Analysis with reference to any one industry. [07]
- Q4 Write a note on : [15]
- [1] Du Pont Analysis
  - [2] Going beyond the numbers
- OR

Q4[a] The following are the summarized profit and Loss account and the [15]  
Balance Sheet of Blossom Ltd:

BALANCE SHEET (Rs. in Lakhs)

	31.03.14	31.03.15
<b>Capital &amp; Liabilities</b>		
Share Capital	250	250
General Reserve	100	172
Debentures	180	150
Term Loan	30	30
Creditors	70	56
	<b>630</b>	<b>658</b>
<b>Assets</b>		
Net Fixed Assets	420	385
Cash	55	85
Debtors	65	75
Inventories	90	113
	<b>630</b>	<b>658</b>

INCOME STATEMENT(Rs. in Lakhs)

Particulars	31.03.14	31.03.15
Net Sales	350	450
Less: Cost of Material	90	113
Wages	70	70
Cost of Goods Sold	160	183
Gross Profit	<b>190</b>	<b>267</b>
Less: Selling, General and Administrative Costs	50	60
Earnings Before Depreciation, Interest and Tax (EBDIT)	140	207
Less: Depreciation	30	35
Earnings Before Interest and Tax (EBIT)	110	172
Less: Interest	25	27
Earnings Before Tax (EBT)	85	145
Less: Tax	15	97
Earnings After Tax (EAT)	<b>70</b>	<b>48</b>
Less: Dividend	25	25
Retained Earnings	45	23

Calculate: Current Ratio, Quick Ratio, Debt-Equity Ratio, Interest Coverage Ratio, Stock Turnover Ratio, Fixed Assets Turnover Ratio, Debt Collection Period, Gross Profit Margin, Net Profit Margin, Return on Investment.

*All the best*