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(A-23) Seat NO: \_\_\_\_\_

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**SARDAR PATEL UNIVERSITY  
BBA (ITM) SEM: VII EXAMINATION**

2016

WEDNESDAY, 4<sup>th</sup> MAY

02.30 P.M. to 04.30 P.M.

UM07EBBI04: INVESTMENT ANALYSIS & PORTFOLIO MANAGEMENT - I

Total Marks: 60

Note: Figures to the right indicate marks of question.

Q:1[A] Explain various investment avenues available to investors. [10]

[B] Explain different sources of investment information. [05]

OR

Q:1[A] "Investment is well grounded and carefully planned speculation" In the light of this statement, differentiate between investment and speculation. [08]

[B] Explain concept of investment and discuss characteristics of investment. [07]

Q:2[A] Explain subdivision of financial markets. [10]

[B] Write a note on: BSE. [05]

OR

Q:2[A] What you mean by financial assets? Explain properties of financial assets. [08]

[B] Differentiate between: Primary market and secondary market. [07]

Q:3[A] What is economic analysis? Explain any three tools used for performing economic analysis. [10]

[B] List out data needs for industry analysis. [05]

OR

Q:3 Write short note on: [15]

1) Industry life cycle

2) Economic Forecasting

3) Standard Industry Classification (SIC)

Q:4[A] The capital of Kiaan Ltd. is as follows: [10]

80000 Equity Shares of Rs. 10 each

800000

9% 30000 preference Shares of Rs.10 each

300000

1100000

The following information has been obtained from the books of the company:

Profit after tax @60%

Rs.270000

Depreciation

Rs.60000

Equity Dividend paid

20%

Market Price of Equity Share

Rs.40

You are required to calculate:

1. Dividend yield on equity share
2. Cover for the preference dividend
3. Earnings per share
4. Price-earnings ratio
5. Dividend pay-out ratio

[B] Discuss the problems faced in financial statement analysis.

[05]

OR

Q:4[A] "Understanding competitive environment is the most important aspect of company analysis"-Comment with reference to various tools of company analysis.

[09]

[B] The following data relate to published accounts of a company:

[06]

Particulars	Rs.
Sales	32,00,000
Net profit after tax	1,23,000
Equity capital [Rs. 10 per share]	10,00,000
General Reserve	2,32,000
Long-term Debt	8,00,000
Creditors	3,82,000
Bank Credit [short-term]	60,000
Fixed Assets	15,99,000
Inventories	3,31,000
Other Current Assets	5,44,000

You are required to calculate following ratios:

1. Current Ratio
2. Net Profit Ratio
3. Debt -Equity Ratio

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(2)