

Teacher Name: Vanitha Chadda

B.com (H) Sem VI Sec A

Set II

(30 marks)

Fundamentals of Investment.

Attempt any two theory questions from following
(9 marks)

- Q.1. Differentiate between Fundamental Analysis & Technical analysis.
- Q.2. What do you mean by Financial system? What are the components of Financial system?
- Q.3. Investments involve long term commitments. Comment.

All the following questions carry equal marks.

- Q.1. Mr. Gupta makes an investment at ₹50. The year-end price of this investment under different market conditions with equal probabilities are as follows:

Condition	Year-end price.
Bullish	75
Normal	60
Bearish	45

- (i) Find the expected value of return for one year period and risk.
- (ii) Also calculate inflation adjusted return if rate of inflation during the year is 8%.

Q.2. The following information is available in respect of a bond: Face value: ₹ 10,000/-, Coupon rate: 8%. Time to maturity: 4 years. Market price: ₹ 8790, Investor's Yield: 10%.

Find out YTM and intrinsic value of the bond. Should the investor buy this bond based on YTM and intrinsic value?

Q.3. Mr. Nanda wants to invest in a company that has just given a current dividend of ₹ 3 per share. Dividends are expected to grow at 20% for 10 years and at 8% thereafter perpetually. Find the value of equity share if the required rate of return of Mr. Nanda is 10%.

Write

Teacher Name: Vanitha Chacko
B.com (VI) Sem VI Sec A.

Set I

Fundamentals of Investment

Attempt any two theory questions from following.
(9 marks)

- Q.1. Differentiate between Investment & Speculation.
- Q.2. Explain the ~~mark~~ efficient market hypothesis and its ~~the~~ three forms of market Efficiency.
- Q.3. What do you mean by depository system? How is it useful to investors?

All the following questions carry equal marks.
(7×3)

- Q.1. The returns on two securities under four possible states of nature are given below:

state of Nature	Prob.	Returns (A)%	Returns (B)%
1	0.2	7	4
2	0.4	9	10
3	0.3	14	18
4	0.1	18	28

- Find
- 1) Expected return on security A & B
 - 2) Expected risk on security A & B
 - 3) Which security should the investor choose?

- Q.2. An investor is considering the purchase of the following Bond:
Face Value : ₹ 5000/-

Coupon rate : 16%.

Maturity : 5 years

- (i) If he wants a yield of 17%, what is the maximum price he should be ready to pay for?
- (ii) If the bond is selling for £ 4541/- what would be his yield if he buys the bond and hold it till maturity?

Q.3. A firm is currently paying a dividend of £2 per share. The rate of dividend is expected to grow at 5% for first 5 years and 10% thereafter. Find the value of the share if the required rate of return of the investor is 15%.

Vanish

Teacher Name: Vanitha Chetty

B. com (H) Sem VI Lec B.

Set I

(30 marks)

Fundamentals of Investment.

Attempt any two questions from following 3 questions
(9 marks)

- Q.1. Difference between Investment & speculation.
- Q.2. Explain Efficient Market Hypothesis and its three forms.
- Q.3. What factors should an investor consider while making investment?

Attempt all the 3 questions given below (7x3)

- Q.1. An investor has short listed two securities X & Y for investment. The expected returns and probabilities for these securities are as follows:

Security X		Security Y	
Return	Probability	Return	Probability
4%	0.1	-2%	0.2
6%	0.3	18%	0.5
10%	0.4	27%	0.3
15%	0.2		

Find out the expected return and standard deviation for both the securities. Which should be preferred?

Q.2. An investor is considering the purchase of the following bond:

Face value	£100
Coupon rate	11%
Maturity	3 years.

- (i) If he wants a yield of 13%, what is the maximum price he should be ready to pay for?
- (ii) If the bond is selling for £97.60, what would be his yield?

Q.3. PVR Ltd. expects an EPS of £20 per share for the current year. The company earns a 15% return on equity and retains 40% of all its earnings. The required rate of return on equity capital is 12%. Calculate intrinsic value of the share. Should the share be bought if market price is £180?

Vanish

Teacher Name: Vanitha Chetty

B.Com (H) Sem VI Sec B

~~Set I~~ Set II

Fundamentals of Investment.

Attempt any two theory questions.

- Q.1. What do you mean by financial system?
What are different components of financial system?
- Q.2. Differentiate between Fundamental Analysis & Technical analysis.
- Q.3. Explain Efficient Market Hypothesis and its 3 forms of efficiency.

Attempt all the 3 questions given below.

- Q.1. The following two securities have been shortlisted by an investor.

Probability	Return on X	Return on Y
0.4	10%	5%
0.4	5%	8%
0.2	-5%	2%

Which security should be selected and why?

- Q.2. Following information is available in respect of a bond: Face value: ₹1000/- Coupon rate: 8%.
Time to maturity: 10 years. Market price = ₹1140
Callable in 6 years at ₹1100.
Find out YTM and YTC of the bond.

Q.3. The following information is available for PQR Ltd. for the years 2021-22.

Annual turnover	60,00,000
Operating profit	25%
Equity share capital (FV = 100)	40,00,000
Capital reserve	15,00,000
12% Pref. share capital	20,00,000
10% Long term loan	15,00,000
12% Debentures	10,00,000
Tax rate	30%
Dividend Payout Ratio	40%
Price earning ratio	23

Find out :

- i) EPS
- ii) DPS
- iii) Market price per share
- iv) Earning Yield on equity share
- v) Dividend Yield on equity share.

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B.com (H) Sem II Sec A

Class test - set I

Human Resource Management.

Write any two answers from following 3 questions (2x10)

Q.1. Discuss the Role of the manager in building a core competence and creating competitive advantage.

Q.2. How is job analysis different from job description. Explain its steps that are involved in job analysis.

Q.3. What are the major problems of an interview as a selection device. What can the management do to overcome the problem.

Write short note on any one of the following (5x1)

1. Off the job training methods

2. sources of recruitment of employees.

3. difference between training and development.

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Class Test - Set II

Human Resource Management

Write any two answers from following 3 questions (2x10)

Q.1. Distinguish between training and development
Explain the various methods of training.

Q.2. What is workforce diversity and what are advantages of diverse workforce. Give reasons?

Q.3. Critically examine the various sources of recruitment of employees.

Write short note on any one of the following
(1x5)

1. on the job training methods

2. HR Policy.

3. Interview method of selection

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