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MMS/DX-6189
FM-307 SECURITY ANALYSIS AND
INVESTMENT MANAGEMENT

Time : 3 Hours

Maximum Marks : 70

Note : Attempt Five question in all. Question No.1 is compulsory. All questions carry equal marks.

Q-1 Write brief explanation of the following :

- (i) Intrinsic value of equity share
- (ii) Bond duration
- (iii) Money Market
- (iv) Market Return
- (v) Candle stick chart
- (vi) Stock Brokers
- (vii) Depositories

2x7=14

Q-2 (a) "Book building is a process of price discovery."

Explain.

- (b) Discuss the important objectives of security analysis.

7+7=(14)

Q-3 What are the segments of a capital market? Explain the new issue market and its latest position in India. (14)

Q-4 A company is expecting to pay annual dividend of Rs. 3 per share and this dividend is expected to grow at a rate of 8 percent for the next four years. Thereafter, the dividend growth rate is expected to slow down to a constant rate of 5% per annum. Assuming the expected rate from the share to be 7 percent, compute the value of the share. (14)

Q-5 The value of a bond is equal to the present value of its expected cash flows. Elucidate with an example. (14)

Q-6 Write notes on :

- (a) Real Estate Investment
- (b) Investment in Government Securities. 7+7=(14)

Q-7 Discuss relationship between fundamental analysis and semi-strong form of market efficiency. How semi-strong form of EMH repudiates the fundamental analysis? (14)

Q-8 Write notes on :

- (a) Role of investment companies.
- (b) Role of Pre-trading session started recently on National Stock Exchange. 7+7=(14)