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M.B.A.DEGREE EXAMINATION, DEC- 2016
(ThirdYear)
A-FINANCIAL MANAGEMENT
Security Analysis and Portfolio Management

Time : 3 Hours   Maximum Marks : 75

SECTION– A   (3x5 = 15)
Answer any3 of the following

Q1)   a)   Investor Vs speculator.

     b)   Explain the term-risk, return and tax shelter.

     c)   Optimum portfolio.

     d)   Technical and fundamental analysis.

     e)   Types of mutual funds.

     f)   Nature and scope of investment decision.

SECTION–B   (3 x 15 = 45)
Answer any 3 of the following

Q2) Explain economic and industry analysis.

Q3) Explain the investment process in brief.

Q4) Explain portfolio analysis using Markowitz model.

Q5) Write a note on investment objectives and constraints.

Q6) Write a note on efficient market hypothesis.

Q7) How do you evaluate the performance of managed portfolio? Explain.

SECTION–C (15)
(Compulsory)

Q8) Case Study:

Suppose you are asked to evaluate the performance of three portfolio having the following characteristics:

Portfolio	Observedreturn (%)	Beta	Standarddeviation (%)
P	14.50	1.85	12.25
Q	11.00	1.25	8.00
R	10.75	0.50	3.03

The risk price rate is 8% and the return on the market. Portfolio is 13% with the standard deviations of 6%. Compute the sharpe index for these portfolios and indicate which of these portfolios outperformed the market.

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M.B.A. DEGREE EXAMINATION, DEC - 2016

(Third Year)

A-FINANCIAL MANAGEMENT

Management of Financial Services

Time : 3 Hours   Maximum Marks : 75

SECTION– A   (3 x 5 = 15)

Answer any 3 of the following

Q1) a)   What do you mean by financial services?

b)   Functions of stock exchange.

c)   Mergers and its merits.

d)   Hire purchase-features.

e)   Features of credit card.

f)   Bill discounting.

SECTION–B   (3 x 15 = 45)

Answer any 3 of the following

Q2) Explain the participants in financial market.

Q3) Explain the regulations for mutual funds in India.

Q4) What are the sources of project financing?

Q5) Write a note on various credit rating agencies and steps followed in credit rating.

Q6) Describe the mechanism involved in factoring.

Q7) Explain briefly the financial system of India.

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SECTION–C   **(15)**

(Compulsory)

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Q8) Case Study:

A limited company is interested in acquiring the use of an asset costing Rs. 5,00,000. It has two options.

a) To borrow the amount at 18% p.a. repayable in 5 equal instalments.

b) To take on lease to asset for a period of 5 years at the year end rentals of Rs. 1,20,000. The Corporate tax is 35% and the depreciation is allowed on write down value at 20%. The asset will have a salvage value of Rs. 1,80,000 at the end of the 5th year.

You are required to advise the company about lease or buy decision.

Note :   1)   The present value of Rs.1 at 18% discount factor is.

                1st year   .847

                2nd year   .718

                3rd year   .609

                4th year   .516

                5th year   .437

         2)   The present value of an annuity of Rs. 1at 18% p.a. is Rs. 3.127.

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M.B.A. DEGREE EXAMINATION, DEC - 2016

(Third Year)

A-FINANCIAL MANAGEMENT

Project Management (Optional)

Time : 3 Hours   **Maximum Marks : 75**

SECTION– A   (3 x 5 = 15)

Answer any three of the following

Q1) a)   Project management-nature.

b)   Market analysis.

c)   Application of network analysis in project.

d)   Life cycle of a project.

e)   Project review.

f)   NPV.

SECTION–B   (3 x 15 = 45)

Answer any three of the following

Q2) Discuss about feasibility and technical analysis.

Q3) Explain formulation of detailed project reports.

Q4) Explain applications of network analysis in project.

Q5) Write a note on financial aspects of implementation and control.

Q6) Explain managing transition from project to operations.

Q7) Explain the phases in project formulation.

SECTION–C (15)
(Compulsory)

Q8) Case Study:

The activities involved in Alpha Garment Manufacturing Company are listed below with their time estimates:

a)   Draw the network for the given activities.

b)   Carry out the critical path calculations.

Activity	Description	Immediate Predecessor(s)	Duration (Days)
A	Forecast sales volume	-	10
B	Study competitive market	-	7
C	Design item and facilities	A	5
D	Prepare production plan	C	3
E	Estimate cost of production	D	2
F	Set sales price	B, E	1
G	Prepare budget	E,F	14