

ASSIGNMENT - 1, DEC - 2016.

M.B.A FINAL YEAR DEGREE

(A – Financial Management)

Paper-I : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Maximum : 30 MARKS

Answer ALL questions.

- 1)
 - a) Financial risk.
 - b) Odd-lot.
 - c) Efficient market hypothesis
 - d) Short selling
 - e) Rolling settlement.
 - f) Optimum portfolio
 - 2) Distinguish between fundamental analysis and technical analysis.
 - 3) In what way is ratio analysis an indicator of a company's health?
 - 4) Explain the different approaches to valuation of shares.
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ASSIGNMENT - 2, DEC - 2016.

M.B.A FINAL YEAR DEGREE

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Paper – I : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Maximum : 30 MARKS

Answer ALL questions.

- 1) Distinguish between investment and speculations.
- 2) Describe the approaches used to while constructing portfolio of securities.
- 3) How does efficient frontier establish an optimum portfolio?
- 4) The Evergreen Investment Company manages a stock fund consisting of four stocks with the following market values and betas.

Stock	Market Value (Rs)	Beta
Bell	2,00,000	1.16
Sell	1,00,000	1.20
	1,50,000	.80
Shrill	50,000	.50

If the risk free rate of interest is 9 per cent and the market return is 15 per cent, what is the portfolio's expected return?

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Paper - II : MANAGEMENT OF FINANCIAL SERVICES

Maximum : 30 MARKS

Answer ALL questions.

- 1)
 - a) Stock broker.
 - b) Financial service.
 - c) Debt securitization
 - d) Bill discounting
 - e) Credit card
 - f) Portfolio manager
 - 2) Explain the organization of stock exchanges.
 - 3) Classify mutual funds with examples.
 - 4) Elucidate the working housing finance companies.
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Paper - II : MANAGEMENT OF FINANCIAL SERVICES

Maximum : 30 MARKS

Answer ALL questions.

- 1) State the functions of merchant banks.
- 2) Bring out the growth of venture capital funds.
- 3) Give an account of regulatory frame work concerning financial services.
- 4) XYZ is in the business of manufacturing steel utensils. The firm is planning to diversity and adds a new product line. The firm either can buy the required machinery or get it on lease.

The machine can be purchase for Rs.15,00,000. It is expected to have a useful life of 5 years with salvage value of Rs.1,00,000 after the expiry of 5 years. The purchase can be financed by 20 percent loan repayable in 5 equal annual installments (inclusive of interest) becoming due at the end of each year. Alternatively,

the machine can be taken on year end lease rentals of Rs. 4,50,000 for 5 years. Advise the company, which option it should choose. For solving this case, you may assume the following.

- a) The machine will constitute a separate block for depreciation purposes.
The company follows written down value method of depreciation, the rate of depreciation being 25 percent.
 - b) Tax rate is 35 percent and cost of capital is 18 percent.
 - c) Lease rents are to be paid at the end of the year.
 - d) Maintenance expenses estimated at Rs.30,000 per year are to be borne by the lessee.
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Paper - III : PROJECT MANAGEMENT

Maximum : 30 MARKS

Answer ALL questions.

- 1)
 - a) Feasibility report.
 - b) PE RT
 - c) Life cycle of a project.
 - d) Performance review
 - e) Chain ratio method.
 - f) Social cost and benefit.

 - 2) What are the key questions raised in market analysis?

 - 3) State the considerations in project financing decision.

 - 4) Elucidate the identification of potential investment sources.
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Paper - III : PROJECT MANAGEMENT

Maximum : 30 MARKS

Answer ALL questions.

- 1) Give an account of integrated project management control system.
- 2) Explain the uses of network analysis in project management.
- 3) Enumerate the equipment used in materials management.
- 4) Prabhat Limited is considering a project involving an outlay of Rs. 150 million. The projected cash inflows of this project over its 6 year life are as follows:

Year:	1	2	3	4	5	6
Cash inflow (Rs. in million):	25	20	40	45	50	30

This investment is a zero-NPV investment. Calculate the economic rate of return and the book return on income (assuming a straight line depreciation over the 6 year life) for the this project.
