

K.J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH

PGDM (FS) Trimester - III (2018-2020)

Fixed Income Securities

End Term Examination

**Date of Exam: 27th March 2019 Marks: 50 Duration: 3
Hours**

Instructions

Q1 is compulsory and would carry 20 marks. In addition to Q1, there are Five Questions. Each question would carry 10 marks. Attempt any Four out of the remaining Five Questions.

Q.1) a) Consider a Rs1000 par value Bond, carrying a coupon rate of nine percent, and maturing after eight years. The Bond is currently selling for Rs 800. What is YTM on this Bond?(Use Iteration Method)

b) A Rs 100 par value bond bears a coupon rate of 14 percent and matures after 5 years, Interest is payable semi-annually. Compute the value of the Bond if the required rate of return is 16 percent.

Q, 2) Attempt Any 1

a) Explain Bond Duration Concept

b) 1) Explain Tracking Error and TED Spread

2) How are the investment Portfolio of Banks Classified?

Q.3) Attempt Any 1

a) Explain the Concept of Convexity

b) Explain the concept of Indexation with example

Q.4) Attempt Any 1

a) Discuss Mutual Fund classification of Debt Schemes

b) Explain Bond value theorems with examples

Q.5) Attempt Any 1

a) Explain Bond Strategies with example

b) Discuss the term structure of Interest rate

Q.6) Attempt Any 1

a) Explain different types of bonds by altering various features of bonds

b) Compare Indian Debt Markets and US debt markets