

SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaia School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Bachelor of Commerce (Financial Market)	SEM: IV
	APR-2024

Sr. No.	Subject	Available
1.	131U04K401 – Computer for Investment	
2.	131U04C401 – Investment Analysis & Portfolio Management (A), (B)	
3.	131U04V401 – Investment Banking (A), (B)	
4.	131U04C402 – Equity Market II (A), (B)	
5.	131U04C403 – Fixed Income Securities (A), (B)	
6.	131U04V404 – Global Capital Market	
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		



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SOMAIYA
VIDYAVIHAR UNIVERSITY



April 2024

Examination: End Semester Examination (UG Programmes)

Programme code: 04			Class: SY			Semester: IV		
Programme: BFM								
Name of the Constituent College: S K Somaiya College				Name of the Department: Accounting & Finance				
Course Code: 131U04K401		Name of the Course: Computer for Investment						
Duration: 2 Hr.		Maximum Marks: 60						
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary								

Question No.		Max. Marks	CO
Q1	<p>A. Elaborate the concept of data warehousing. Explain the business advantages and disadvantages of data warehousing. (15 Marks)</p> <p style="text-align: center;">OR</p> <p>B. Explain the process of E-commerce with suitable diagram/flow chart. (7 Marks)</p> <p>C. Define E-business and discuss the following business model with suitable examples. (8 Marks)</p> <p style="margin-left: 40px;">a. Click & Portal</p> <p style="margin-left: 40px;">b. Click & Brick</p> <p style="margin-left: 40px;">c. Brick & Mortar</p>	15	CO2 CO1 CO2
Q 2	<p>A. Discuss different types of E-commerce based on buyer and seller category (Customer/Business/Government) with suitable examples. (15 Marks)</p> <p style="text-align: center;">OR</p> <p>B. "E-business is superset of E-commerce" – explain and justify the statement. (7 Marks)</p> <p>C. Compare these payment methods - NEFT /RTGS /IMPS with reference to digital payment used in India. (8 Marks)</p>	15	CO1 CO2 CO3
Q 3	<p>A. Discuss challenges and future trends of E-commerce. (15 Marks)</p> <p style="text-align: center;">OR</p> <p>B. Explain the concept of AI trading and discuss benefits of AI stock trading. (7 Marks)</p> <p>C. Discuss office 365 suite. Explain in brief the different components of office 365 suite. (8 Marks)</p>	15	CO4 CO2 CO3
Q 4	<p>Answer the following conceptual questions. (Each 5 Marks)</p> <p>A. "Vishva Dhan Limited" a multinational organization spread across all three continents, digitalized most of their business functions, and they have been in business for more than 30 years. Which data management technology you will recommend to them and why?</p>		CO2

	<p>B. An insurance company is digitalizing all its operation to online mode. This application of E-commerce should be termed as E-insurance or Cyber insurance. Discuss the concept of Cyber insurance in brief.</p> <p>C. Which of the following cashless payment options were available even before we started using online payment methods? NEFT, IMPS, UPI, Plastic cards, Cryptocurrency, eRupi, Demand draft, RTGS.</p> <p>Compare IMPS and UPI methods of payment.</p>	15	<p>CO4</p> <p>CO3</p>
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April 2024

Examination: End Semester Examination (UG Programmes)

Examination: End Semester Examination		
Programme code: 04 Programme: BFM	Class: SY	Semester: IV
Name of the Constituent College: S K Somaiya College	Name of the Department Accounting and Finance	
Course Code: 131U04C401	Name of the Course: Investment Analysis and Portfolio Management	
Duration : 2 Hrs.	Maximum Marks : 60	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary		

Question No.		Max. Marks	Co Attainment																
Q.1	a. Krita, a recent college graduate, has recently started her career and is eager to begin investing her savings and create a portfolio. Discuss the process of portfolio management. (07 M)	15 M	CO 01																
	b. Mr. Avinash purchased 100 shares of XYZ Ltd. 4 years ago at ₹ 500 each. He paid brokerage of Rs 500. The company paid the following dividends:			CO 02															
	<table><tr><td>Year</td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td>Dividend Per Share (₹)</td><td>2</td><td>2</td><td>2.50</td><td>3</td></tr></table>		Year		1	2	3	4	Dividend Per Share (₹)	2	2	2.50	3	CO 03 CO 04					
	Year		1	2	3	4													
	Dividend Per Share (₹)		2	2	2.50	3													
	The current price of the share is ₹ 600. What is the profit earned on his investment if he sells the shares now? (08 M)																		
	OR																		
	c. Summarize the principles of Dow Jones Theory. (07 M)																		
	d. You are asked to analyze the two portfolios having the following characteristics: (08 M)																		
	<table><tr><td>Portfolio</td><td>Return</td><td>Beta</td><td>Std. Deviation</td></tr><tr><td>A</td><td>18</td><td>1.2</td><td>4</td></tr><tr><td>B</td><td>15</td><td>1.5</td><td>2</td></tr></table>		Portfolio	Return	Beta	Std. Deviation	A	18	1.2	4	B	15	1.5	2					
Portfolio	Return	Beta	Std. Deviation																
A	18	1.2	4																
B	15	1.5	2																
Assume the risk free rate to be 9%. Use Sharpe and Treynor's index to compare the performance of the two portfolios.																			
Q.2	a. Highlight the different types of money market instruments that an investor can invest in to manage liquidity. (07 M)	15 M	CO 01																
	b. The rate of return on stock X and under different states of the economy are given below : (08 M)		CO 02																
	<table><tr><td>Particulars</td><td>Boom</td><td>Normal</td><td>Recession</td></tr><tr><td>Probability</td><td>0.35</td><td>0.50</td><td>0.15</td></tr><tr><td>Return of stock X</td><td>20</td><td>30</td><td>40</td></tr><tr><td>Return of stock Y</td><td>40</td><td>30</td><td>20</td></tr></table>			Particulars	Boom	Normal	Recession	Probability	0.35	0.50	0.15	Return of stock X	20	30	40	Return of stock Y	40	30	20
	Particulars			Boom	Normal	Recession													
	Probability			0.35	0.50	0.15													
Return of stock X	20	30	40																
Return of stock Y	40	30	20																

	<p>(i) Calculate the expected return and standard deviation of return on both the stocks.</p> <p>(ii) If you could invest in either stock X or stock Y but not in both, which stock would you prefer?</p> <p style="text-align: center;">OR</p> <p>c. Returns on Ram Ltd were 11%, 13%, 12% and 10% in the past 4 years. Returns on Shyam Ltd were 12%, 14%, 9% and 10% in the last 4 years. While average market returns were 12%, 14%, 14% and 13% in the last 4 years. Return on government securities was 8%. You are required to compute beta factors of Ram Ltd and Shyam Ltd. (07 M)</p> <p>d. Deepak, a young professional, believes in technical analysis for investment purposes. How can Deepak explore different charts used in technical analysis for his investments? (08 M)</p>		CO 02																				
			CO 03																				
Q.3	<p>a. Differentiate between Investment, Speculation and Gambling. (07 M)</p> <p>b. Evaluate the performance of the portfolio and the market using the following data and comment on the same: (08 M)</p> <table border="1"> <thead> <tr> <th>Portfolio</th><th>Std. Deviation</th><th>Beta</th><th>Returns</th></tr> </thead> <tbody> <tr> <td>Dev Ltd</td><td>20</td><td>1.25</td><td>35</td></tr> <tr> <td>Moh Ltd</td><td>18</td><td>1.10</td><td>30</td></tr> <tr> <td>Sam Ltd</td><td>19</td><td>1.15</td><td>32</td></tr> <tr> <td>Market</td><td>15</td><td>1</td><td>25</td></tr> </tbody> </table> <p>Risk free rate is 8%.</p> <p style="text-align: center;">OR</p> <p>c. With the help of a diagram, illustrate the CML and SML. (07 M)</p> <p>d. Mr Neeraj wants to invest his money in a mutual fund for which he has collected information about 3 Mutual Funds - Fund A, Fund B, Fund C and the market. The average expected returns for Fund A, Fund B, Fund C and the market was 25%, 27%, 23% and 20% respectively. The standard deviation of various funds and market was 12, 5, 9 and 13 respectively. Beta of various security was 1.27, 1.3, 1.15 and 1 respectively. Recommend which portfolio should be selected using Sharpe, Treynor and Jensen's measure of portfolio evaluation. Assume risk free rate to be 7.5%. (08 M)</p>	Portfolio	Std. Deviation	Beta	Returns	Dev Ltd	20	1.25	35	Moh Ltd	18	1.10	30	Sam Ltd	19	1.15	32	Market	15	1	25	15 M	CO 01
Portfolio	Std. Deviation	Beta	Returns																				
Dev Ltd	20	1.25	35																				
Moh Ltd	18	1.10	30																				
Sam Ltd	19	1.15	32																				
Market	15	1	25																				
			CO 04																				
			CO 03																				
			CO 04																				
Q.4	<p>Answer the following Conceptual Questions: (03 Marks Each: All questions are Compulsory)</p> <p>a. Explore the challenges and limitations associated with the top-down approach to investment analysis.</p> <p>b. Discuss the concept of risk preference and how it reflects investors' willingness to accept uncertainty and potential losses in pursuit of higher returns.</p> <p>c. Explore the implications of the weak form of Efficient Market Hypothesis on investment strategies.</p>	15 M	CO 01																				
			CO 02																				
			CO 03																				

	d. Some investors are proponents of fundamental analysis while others favor technical analysis. Illustrate the strengths and weaknesses of each approach and determine which analysis best aligns with which investment objectives.		CO 03
	e. Examine the advantages and limitations of the Constant Rupee Plan.		CO 04





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Programme code: 04 Programme: BFM		Class: SY	Semester: IV
Name of the Constituent College: S K Somaiya College		Name of the Department: Accounting and Finance	
Course Code: 131U04C401	Name of the Course: Investment Analysis and Portfolio Management		
Duration : 2 Hrs.	Maximum Marks : 60		
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary			

Question No.		Max. Marks	Co Attainment																										
Q.1	<p>a. Discuss Traditional portfolio theory. (07 M)</p> <p>b. Mr. Karthik purchased 400 shares of Sunder Ltd. at ₹ 60 each on 15th October, 2018. He paid brokerage of ₹ 2000. The company paid the following dividends: (08 M)</p> <table><tr><th>Period</th><th>Dividend (₹)</th></tr><tr><td>June 2019</td><td>9 per share</td></tr><tr><td>June 2020</td><td>10 per share</td></tr></table> <p>He sold all his holdings for ₹ 36,500 on 15th October, 2020 and paid brokerage ₹ 2500.</p> <p>(i) What is the holding period return?</p> <p>(ii) What is the annualized return?</p> <p>OR</p> <p>c. Kamal, a young professional, is eager to start investing his savings. How can Kamal explore different investment alternatives? (07 M)</p> <p>d. Compare the following portfolios using Sharpe and Jensen's measure assuming the risk free rate is 8%: (08 M)</p> <table><tr><th>Portfolio</th><th>Return</th><th>Std. Deviation</th><th>Beta</th></tr><tr><td>1</td><td>13</td><td>0.25</td><td>1.25</td></tr><tr><td>2</td><td>12</td><td>0.25</td><td>0.75</td></tr><tr><td>3</td><td>11</td><td>0.20</td><td>1.10</td></tr><tr><td>Market</td><td>11</td><td>0.25</td><td>1</td></tr></table>	Period	Dividend (₹)	June 2019	9 per share	June 2020	10 per share	Portfolio	Return	Std. Deviation	Beta	1	13	0.25	1.25	2	12	0.25	0.75	3	11	0.20	1.10	Market	11	0.25	1	15 M	CO 03 CO 02 CO 01 CO 04
Period	Dividend (₹)																												
June 2019	9 per share																												
June 2020	10 per share																												
Portfolio	Return	Std. Deviation	Beta																										
1	13	0.25	1.25																										
2	12	0.25	0.75																										
3	11	0.20	1.10																										
Market	11	0.25	1																										
Q.2	<p>a. From the following information, you are required to calculate standard deviation : (07 M)</p> <table><tr><th>Year</th><th>A Ltd Returns</th><th>B Ltd Returns</th></tr><tr><td>1</td><td>8</td><td>7</td></tr></table>	Year	A Ltd Returns	B Ltd Returns	1	8	7	15 M	CO 02																				
Year	A Ltd Returns	B Ltd Returns																											
1	8	7																											

2	9	11
3	10	9
4	11	13
5	12	15

b. Riya, an aspiring investor, seeks to enhance her understanding of fundamental and technical analysis. How can Riya distinguish between fundamental and technical analysis methods and utilize them to make informed investment decisions? (08 M)

OR

c. From the following details calculate beta of a security: (07 M)

Year	Return on Security (%)	Return on Market Portfolio (%)
1	10	12
2	12	10
3	13	10
4	10	12
5	8	15
6	11	14
7	16	20
8	12	15
9	18	20
10	20	22

d. Outline the process of portfolio management. (07 M)

Q.3

a. Harsh, a new investor, is deliberating between active and passive portfolio management approaches. Determine how Harsh can explore the differences between active and passive management. (07 M)
b. Compare the portfolio performance using Sharpe and Treynor measures from the following information: (08 M)

Particulars	Returns (%)	Std. Deviation	Beta
Portfolio A	14	0.25	1.25
Portfolio B	10	0.15	1.10
Market	12	0.25	1

Assume the risk free rate of return is 8%.

CO 03


CO 02

CO 01

15 M

CO 01

CO 04

	<p style="text-align: center;">OR</p> <p>c. Describe the characteristics of Waves as per Elliott Wave Theory when the markets are rising. (07 M)</p> <p>d. You are required to rank the following portfolios according to Jensen's measure: (08 M)</p> <table border="1"> <thead> <tr> <th>Portfolio</th><th>Return</th><th>Beta</th><th>Risk Free Return</th></tr> </thead> <tbody> <tr> <td>Birla</td><td>15</td><td>1.2</td><td>9</td></tr> <tr> <td>Kotak</td><td>16</td><td>1.5</td><td>9</td></tr> <tr> <td>Reliance</td><td>12</td><td>0.8</td><td>9</td></tr> <tr> <td>Market</td><td>13</td><td>1</td><td>9</td></tr> </tbody> </table>	Portfolio	Return	Beta	Risk Free Return	Birla	15	1.2	9	Kotak	16	1.5	9	Reliance	12	0.8	9	Market	13	1	9		<p>CO 03</p> <p>CO 04</p> 
Portfolio	Return	Beta	Risk Free Return																				
Birla	15	1.2	9																				
Kotak	16	1.5	9																				
Reliance	12	0.8	9																				
Market	13	1	9																				
Q.4	<p>Answer the following Conceptual Questions: (03 Marks Each: All questions are Compulsory)</p> <p>a. Vidhi, a prospective investor, is curious about the benefits of investing. How can Vidhi understand the advantages of investing and apply them to her financial goals and aspirations?</p> <p>b. Ankit, an investor, is interested in understanding the concepts of systematic and unsystematic risk. How can Ankit differentiate between these two types of risk and manage them effectively within his investment portfolio?</p> <p>c. Outline the characteristics of a Candlestick chart.</p> <p>d. How does the strong form of the Efficient Market Hypothesis impact investment strategies and outcomes for an investor?</p> <p>e. Discuss the different types of Formula Plans.</p>	15 M	<p>CO 01</p> <p>CO 02</p> <p>CO 03</p> <p>CO 03</p> <p>CO 04</p>																				



SOMAIYA
VIKRAMJI UNIVERSITY



April 2024

Examination: End Semester Examination (UG/PG Programmes)

Programme code: 04		Class: SY	Semester: IV
Programme: BFM			
Name of the Constituent College: S K Somaiya College		Name of the Department: Commerce & Business Studies	
Course Code: 131U04V401	Name of the Course: Investment Banking		
Duration : 2 Hrs.	Maximum Marks : 60		
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary.			

Question No.		Max. Marks	Co Attainment
Q.1	<p>A. Describe Investment Banking and explain the organizational set up of Investment banking in India. (8 marks)</p> <p>B. Evaluate the various forms of the pricing of the Issue in primary markets. (7 marks)</p> <p>OR</p> <p>C. Ms. Alexa has been appointed as an Issue Manager for Company Rose Ltd. Kindly enumerate her role for Pre-Issue Management activities. (8 marks)</p> <p>D. Distinguish between Follow on Public Offering and Offer for Sale. (7 marks)</p>	15 marks	CO1 CO2 CO1 CO2
Q.2	<p>A. Pet Ltd is a private equity investor in Cry Ltd. They are planning to exit Cry Ltd through the merger and acquisition route. Discuss the various types of Merger & Acquisition exit options that Pet Ltd can consider. (8 marks)</p> <p>B. Assess the Drivers for Value Creation in Business valuation. (7 marks)</p> <p>OR</p> <p>C. Critically evaluate the term valuation and different techniques of Valuation. (8marks)</p> <p>D. Discuss the term Leverage Buyout method and its benefits. (7marks)</p>	15 marks	CO3 CO4 CO4 CO3
Q.3	<p>A. SEBI has set certain guidelines for Investment Banker. List down the guidelines which investment Bankers must follow. (8 marks)</p> <p>B. Discuss the Right Issue method of raising funds from primary market. (7 marks)</p> <p>OR</p> <p>C. Cherry Ltd wanted to get listed on the stock exchange. Explain the Listing agreements and stages in listing process that company will have to follow. (8marks)</p> <p>D. Enumerate the concept of Net Realized Value with its advantages and disadvantages. (7marks)</p>	15 marks	CO1 CO2 CO2 CO4

Q.4	<p><u>Write Conceptual Questions:</u> (3 marks each)</p> <p>A. Evaluate the role of Underwriter to an issue.</p> <p>B. Summarize IPO Grading in Issue management.</p> <p>C. Discuss the Negotiation phase in the process of Merger & Acquisition.</p> <p>D. Explain the market approach in Valuation.</p> <p>E. Describe the term ASBA in Issue management.</p>	15 marks	<p>CO1</p> <p>CO2</p> <p>CO2</p> <p>CO3</p> <p>CO4</p>
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Name of the Constituent College: S K Somaiya College			Name of the Department: Commerce & Business Studies	
Course Code: 131U04V401		Name of the Course: Investment Banking		
Duration : 2 Hrs.		Maximum Marks : 60		
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary.				

Question No.		Max. Marks	Co Attainment
Q.1	<p>A. Pearl Ltd. is planning to raise funds from capital markets for their expansion. They hired an investment banker to understand the different methods of raising funds. List the various methods for fund raising that Pearl Ltd. can consider. (8 marks)</p> <p>B. Describe the process of book building process with any relevant example. (7 marks)</p> <p>OR</p> <p>C. List the SEBI guidelines for drafting an offer document in an IPO. (8 marks)</p> <p>D. Summarize the importance of Investment Banker. (7 marks)</p>	15 marks	CO1 CO2 CO2 CO1
Q.2	<p>A. Assess the role of Investment Banker in Merger & acquisition with examples. (8 marks)</p> <p>B. Explain Valuation and discuss the reasons for performing a valuation for any company. (7 marks)</p> <p>OR</p> <p>C. Comment on the term Breakup Value and explain the reasons company is required to go for Breakup value. (8marks)</p> <p>D. Mention the steps involved in creating financial forecasting for companies. (7marks)</p>	15 marks	CO3 CO4 CO4 CO4
Q.3	<p>A. Ms. Happy has been appointed as Issue Manager for Company Rose Ltd. Kindly enumerate her role for Post Issue Management activities. (8 marks)</p> <p>B. State the SEBI guidelines for underwriter to an issue. (7 marks)</p> <p>OR</p> <p>C. Define the term the Listing agreement and benefits of listing in a stock exchange. (8marks)</p> <p>D. An investment banker needs to forecast the Financial Statements during valuation of company. Discuss in detail financial forecasting and methods of financial forecasting. (7marks)</p>	15 marks	CO1 CO2 CO2 CO4

Q.4	<p><u>Write Conceptual Questions:</u> (3 marks each)</p> <p>A. Petal Ltd, an advertising company must follow SEBI guidelines for Advertisement on IPO. Mention the guidelines.</p> <p>B. Describe the role of Bankers to an Issue in an IPO.</p> <p>C. Elaborate Discounted Cash Flow method in company valuation.</p> <p>D. Summarize the terms in and IPO: Fast track process and Differential pricing.</p> <p>E. Explain the Income approach in Business Valuation.</p>	15 marks	<p>CO1</p> <p>CO2</p> <p>CO4</p> <p>CO1</p> <p>CO3</p>
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April 2024

Examination: End Semester Examination (UG/PG Programmes)

Programme code: 04

Programme: BFM

Class: SY

Semester: IV

Name of the Constituent College: S K Somaiya College

Name of the Department Accounting and Finance

Course Code: 131U04C402

Name of the Course: Equity Market II

Duration : 2 Hrs.

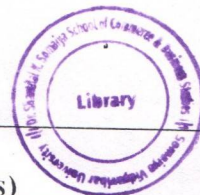
Maximum Marks : 60

Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary

Question No.		Max. Marks	Co Attainment
Q.1	a. As a financial analyst, recommend measures to prevent valuation bias. (07 M) b. Describe the role of beta in Capital Asset Pricing Model and its relevance for investment decision-making. (08 M) OR c. Illustrate the functions of various participants within the stock market. Classify the various types of stocks. (15 M)	15 M	CO 1 CO 2 CO 1
Q.2	a. Assess the significance of interest rates as a key indicator of a country's economic health. (07 M) b. Evaluate the effectiveness of the cost, income, and asset-based methodologies in assessing the value of businesses. (08 M) OR c. Describe the qualitative aspects considered during company analysis (15 M)	15 M	CO 3 CO 2 CO 4
Q.3	a. Compare use of PESTLE analysis and Porter's Five Forces for identifying potential threats and opportunities in an industry. (07 M) b. Examine Comparable Company Analysis and its significance in valuation of shares. (08 M) OR c. Describe the various types of valuation ratios commonly used in financial analysis. Evaluate the role of these ratios in identifying undervalued or overvalued stocks. (15M)	15 M	CO 3 CO 4 CO 2 & CO 4
Q.4	Answer the following Conceptual Questions: (03 Marks Each: All questions are Compulsory) a. You're an analyst evaluating two companies in similar industries. Company A has a lower EPS than Company B, but Company A also has a much higher dividend payout ratio. How might this information impact your investment decision? b. You've been a loyal shareholder of ABC Company for several years, holding 100 shares. Today, the company announced a surprising 1:2 bonus issue. How will you be impacted by this? c. Assess the importance of the Gross Domestic Product (GDP) as a metric for assessing economic performance, and evaluate whether it should be a key consideration in economic analysis.	15 M	CO 4 CO 1 CO 3



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Semester: IV

Name of the Constituent College: S K Somaiya College

Name of the Department Accounting and Finance

Course Code: 131U04C402

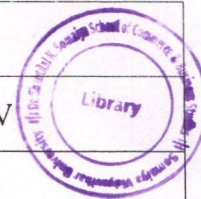
Name of the Course: Equity Market II

Duration : 2 Hrs.


Maximum Marks : 60

Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary

Question No.		Max. Marks	Co Attainment
Q.1	<p>a. Investigate the various factors influencing stock prices (07 M)</p> <p>b. Critically evaluate the role of valuation in various industries. (08 M)</p> <p style="text-align: center;">OR</p> <p>c. Identify potential reasons for biases that can influence an equity analyst's research. As a financial analyst, suggest measures to prevent this bias. (15 M)</p>	15 M	CO 1 CO 2 CO 1
Q.2	<p>a. Describe the significance of qualitative factors in fundamental analysis. (07 M)</p> <p>b. Evaluate the application of Price to Earnings Ratio and Dividend Yield Ratio. (08 M)</p> <p style="text-align: center;">OR</p> <p>c. Analyze the application of Porter's Five Forces Model with the example of any one industry. (15 M)</p>	15 M	CO 2 CO 4 CO 3
Q.3	<p>a. Outline the process for conducting DCF analysis. (07 M)</p> <p>b. As a fund manager, how will you analyze Balance of Payment and Exchange Rates while investing in stock markets. (08 M)</p> <p style="text-align: center;">OR</p> <p>c. Assess the effectiveness of the Dividend Discount Model and Sum-of-the-Parts approach in determining the value of companies. (15M)</p>	15 M	CO 2 CO 3 CO 2
Q.4	<p>Answer the following Conceptual Questions: (05 Marks Each:)</p> <p>a. Provide instances of Legal and technological factors that organizations examine during a PESTLE evaluation.</p> <p>b. A company announces a stock split. How would this event impact the company's share price?</p> <p>c. India faces high inflation driven by rising food prices due to a poor monsoon season. The RBI raises the repo rate to tighten monetary policy. Describe the potential impact of this scenario on Indian Stock Markets.</p>	15 M	CO 3 CO 4 CO 2



April 2024			
Examination: End Semester Examination (UG Programmes)			
Programme code: 04		Class:	Semester: IV
Programme: B.com (Financial Market)		SYBFM	
Name of the Constituent College: S K SOMAIYA COLLEGE		Name of the Department ACCOUNTING AND FINANCE	
Course Code: 131U04C403	Name of the Course: FIXED INCOME SECURITIES		
Duration : 2 Hr. -	Maximum Marks : 60		
Instructions: Attempt all questions.			



Q. No.		Max. Marks	CO.																
Q.1.	a. Discuss the importance of fixed income securities.	08	CO -01																
	b. Describe various risks involved in hybrid securities.	07	CO -01																
	OR																		
	c. Define interest rate volatility. List down some key sources of interest rate volatility.	15	CO -01																
Q.2.	a. Elaborate on the concept of Macaulay duration, Modified Duration and Effective duration.	08	CO-02																
	b. Define PVBVP. Give its importance and limitations.	07	CO- 02																
	OR																		
	c. You are considering investing in one of the following Bonds.	15	CO-02																
	<table border="1"> <thead> <tr> <th></th><th>Coupon rate</th><th>Maturity</th><th>Purchase Price</th></tr> </thead> <tbody> <tr> <td>Bond – A</td><td>10%</td><td>08</td><td>Rs.85</td></tr> <tr> <td>Bond - B</td><td>9%</td><td>09</td><td>Rs.92</td></tr> <tr> <td>Bond - C</td><td>8%</td><td>07</td><td>Rs.95</td></tr> </tbody> </table>		Coupon rate	Maturity	Purchase Price	Bond – A	10%	08	Rs.85	Bond - B	9%	09	Rs.92	Bond - C	8%	07	Rs.95		
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	Face value of the bond is Rs.100. Bonds are to be redeemed at 104.																		
	Recommend which bond should be purchased.																		
Q.3.	a. List and explain resources for tracking fixed income securities.	08	CO -03																
	b. Highlight the overall consequences of the subprime crisis.	07	CO -03																
	OR																		
	c. Outline the stages of fixed income portfolio construction.	15	CO -04																
Q.4.	Answer the following short notes: (05 Marks each)	15																	
	a. Discuss the consequences of non-funding liabilities.		CO -04																
	b. Fixed income security benchmark and its importance.		CO -03																
	c. Give classification of bonds on the basis of Redemption and Option.		CO -01																



April 2024

Examination: End Semester Examination (UG Programmes)

Programme code: 04		Class:	Semester: IV
Programme: B.com (Financial Market)		SYBFM	
Name of the Constituent College: S K SOMAIYA COLLEGE		Name of the Department ACCOUNTING AND FINANCE	
Course Code: 131U04C403	Name of the Course: FIXED INCOME SECURITIES		
Duration : 2 Hr. -	Maximum Marks : 60		
Instructions: Attempt all questions.			

Q. No.		Max. Marks	CO.																
Q.1.	a. Outline the features of fixed income securities.	08	CO -01																
	b. Discuss various risks associated with fixed income securities.	07	CO -01																
	OR																		
	c. Highlight Moody's credit ratings services. What does Moody's do? Why Mbody's important.	15	CO -01																
Q.2.	a. Define synthetic valuation. List its benefits and limitations.	08	CO -02																
	b. Explain convexity. Describe its importance and limitation.	07	CO -02																
	OR																		
	c. You are considering investment in one of the following Bonds.	15	CO -02																
	<table border="1"> <thead> <tr> <th></th><th>Coupon rate</th><th>Maturity</th><th>Purchase Price</th></tr> </thead> <tbody> <tr> <td>Bond – X</td><td>12%</td><td>08</td><td>Rs.76</td></tr> <tr> <td>Bond - Y</td><td>13%</td><td>07</td><td>Rs.69</td></tr> <tr> <td>Bond - Z</td><td>11%</td><td>06</td><td>Rs.88</td></tr> </tbody> </table>		Coupon rate	Maturity	Purchase Price	Bond – X	12%	08	Rs.76	Bond - Y	13%	07	Rs.69	Bond - Z	11%	06	Rs.88		
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	Face value of the bond is Rs.100. Bonds are to be redeemed at 102.																		
	Recommend which bond should be purchased.																		
Q.3.	a. Evaluate the importance of tracking fixed income securities.	08	CO -03																
	b. Assess the impact of the subprime Crisis. State causes of decline in housing market.	07	CO -03																
	OR																		
	c. Examine the need for Fixed income portfolio management in detail.	15	CO -04																
Q.4.	Answer the following short notes: (05 Marks each)	15																	
	a. Give classification of bonds on the basis of Maturity period and Coupon.		CO -01																
	b. Assets liability management along with advantages.		CO -04																
	c. Fixed income security indices.		CO -03																



April 2024

Examination: End Semester Examination (UG/PG Programmes)

Programme code: 04.		Class:SYBFM	Semester: IV
Programme: BCom (Financial Markets)			
Name of the Constituent College: S K Somaiya College		Name of the Department: Accounting & Finance	
Course Code: 131U04V404	Name of the Course: Global Capital Market		
Duration: 2 Hrs.	Maximum Marks: 60		
Instructions: 1) Draw neat diagrams 2) Assume suitable data if necessary			

Question No.		Max. Marks	Co Attainment
Q.1	a) Equity markets play an important role in a market-based economy. They provide capital raising, liquidity, and investment options. Comment on its importance.	08	C01
	b) Evaluate the recent changes in the global financial market.	07	C01
	OR		
	c) Secondary market is the market where previously issued securities in IPO are exchanged via intermediaries, such as investment banks or stock brokerage companies. Comment on the key players of the secondary market.	08	C01
Q.2	d) Explain in brief about the advantages & disadvantages of global derivatives market.	07	C01
	a) While debt origination can be a useful tool for financing growth and operations, it also carries a few risks that need to be carefully considered by borrowers and lenders. List the key risks in debt origination.	08	C02
	b) Examine the role of syndicated loans facilities in debt market. Cite with examples if they are relevant in current scenarios.	07	C02
	OR		
Q.3	c) Examine the role of government in project finance to fund large-scale projects.	08	C02
	d) Analyze any two debt market facilities that are available to the entities.	07	C02
	a) Critically evaluate the significance of foreign bonds	08	C03
	b) Illustrate the determinants of Comparative Advantage in financial market.	07	C03
	OR		
	c) Classify the role & use of derivatives in relation to comparative advantage financing.	08	

	d) Outline the various stages in the evolution of the debt market & its types.	07	C03
Q.4	<p>a) Answer the questions below on the basis of the following case study (All questions are compulsory)</p> <p>In the late 1990s, the global financial system faced challenges due to the Asian financial crisis and the collapse of several large financial institutions. In response, the Basel Committee revised the Basel norms and introduced Basel II in 2004, which emphasized a more comprehensive risk management framework and shifted towards a more risk-sensitive approach to capital requirements. The implementation of Basel II led to improvements in risk management practices and increased transparency in banks' capital adequacy. However, the global financial crisis of 2007-2008 exposed weaknesses in the Basel II framework, leading to calls for further reforms. In 2010, the Basel Committee introduced Basel III, a more stringent set of capital and liquidity requirements to enhance the resilience of the global banking system. Basel III mandated higher capital ratios, introduced liquidity requirements, and established new rules for leverage ratios and countercyclical buffers. The implementation of Basel III has had a profound impact on the global banking system. Banks have been required to significantly increase their capital reserves, leading to changes in their business models and capital management strategies. Additionally, the increased regulatory scrutiny has forced banks to improve their risk management practices and internal controls. The Basel norms have played a crucial role in reshaping the global banking system by promoting financial stability and risk management. While the implementation of Basel III has strengthened the resilience of banks, ongoing challenges remain in effectively implementing and monitoring the regulations. As the banking sector continues to evolve, the Basel Committee is expected to introduce further reforms to address emerging risks and ensure the stability of the global financial system.</p> <p>i. What are the main goals and objectives of the Basel norms in terms of regulating the banking sector and ensuring financial stability?</p> <p>ii. How has the implementation of Basel III affected global banking operations, especially in terms of lending practices, profitability, and risk-taking behavior?</p> <p>iii. Give a conclusion about the role played by Basel norms in promoting financial stability.</p>	05 05 05	C03 C01, C02, C03, C04.