

Exam. Code : 110105

Subject Code : 2705

Bachelor of Vocation (Banking and Financial Services)

5th Semester

SECURITY ANALYSIS

Paper—BVC-504

Time Allowed—3 Hours]

[Maximum Marks—50

- Note** :— (1) Attempt any **TEN** questions from Section A.
Each question is of **1** mark.
- (2) Attempt any **TWO** questions from Section B.
Each question is of **10** marks.
- (3) Attempt any **TWO** questions from Section C.
Each question is of **10** marks.

SECTION—A

1. Attempt **TEN** questions :—

- (i) What are various characteristics of bonds ?
- (ii) Name non security form of investments.
- (iii) What is market risk ?
- (iv) Give two advantages of investing in antiques.
- (v) What is beta ?

- (vi) What are perpetual bonds ?
- (vii) Name three uses of economic forecast.
- (viii) Name any four sources of information for doing industry analysis.
- (ix) Give two shortcomings of traditional approaches to company analysis.
- (x) What is price earnings ratio ?
- (xi) Name two shortcomings of traditional approaches to stock valuation.
- (xii) How financial statements are useful in company analysis ?

SECTION—B

- 2. Define risk. Explain various methods used for measuring risk.
- 3. What are the investment objectives of individuals ? Outline the important investment avenues available to individual investors in India.
- 4. Explain various functions of stock market in India. Critically evaluate the role of SEBI as a stock market developer and regulator.

5. (i) What factors are considered in bond rating process ?
- (ii) An investor needs 1,00,000 in 2017. He expects a wealth ratio of 1.335 and selected 7.5% BOI 10 year bond issued in 2007 available at par value of Rs. 100 in 2013, and is expected to redeem at Rs. 110. Compute the reinvestment by adopting maturity strategy and reinvestment strategy, and comment whether this bond will meet his expected wealth ratio ?

SECTION—C

6. Why is economic analysis relevant for investment decision ? Explain various financial and non financial indicators used in economic analysis.
7. How is industry analysis conducted ? Of what use is the industry life cycle approach to an analyst ?
8. What is the significance of company analysis ? Discuss the market-share/net-income-margin approach to company analysis.
9. (i) Discuss the importance of equity valuation from the point of an investor.
- (ii) Critically evaluate the advantages and disadvantages of the dividend discount model as compared to other methods.