

(DBUS 31)

M.B.A. (3 years) DEGREE EXAMINATION,
DECEMBER 2019.

Third Year

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : Three hours

Maximum : 70 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Random walk theory
- (b) Mutual fund
- (c) Industry analysis
- (d) Unsystematic risk
- (e) Breadth of the market
- (f) Portfolio Remission.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. Explain the key macro-economic factors considered in fundamental analysis.
3. How primary market is different from secondary market? Examine the various methods of raising capital from the primary market.
4. Distinguish the three levels of market efficiency. Discuss the common misconceptions surrounding the efficient market hypothesis.
5. Explain in detail the Dow theory and how is it used to determine the directions of stock market.
6. Explain the CAPM theory and its validity in the stock market.
7. Explain various methods portfolio performance evaluation.

SECTION C — (10 marks)

Compulsory

8. The probability distribution of the rate of return on a stock is given below:

State of the economy	Probability	Rate of return
Boom	0.20	30%
Normal	0.50	18%
Recession	0.30	9%

What is the standard deviation of return.

(DBUS 32)

M.B.A. DEGREE EXAMINATION,
DECEMBER 2019.

Third Year

A - Financial Management

MANAGEMENT OF FINANCIAL SERVICES (Optional)

Time : Three hours

Maximum : 70 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Fee based financial services
- (b) Functions of capital markets
- (c) Loan syndication
- (d) Types of mergers
- (e) Advantages of leasing
- (f) Bill discounting

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. Discuss the role of financial system in economic development.
3. What do you mean by mutual funds? Explain its classifications.
4. Who is merchant banker? Discuss the functions of merchant banker.
5. What is credit rating? Explain credit rating methodology of CRISIL and CARE.
6. Discuss the differences between factoring and forfeiting.
7. What is venture capital? Explain the process of venture capital financing.

SECTION C — (1 × 10 = 10 marks)

(Compulsory)

8. Case Study:

An industrial unit desires to acquire a diesel generating set costing Rs. 20 lakh which has an economic life of 10 years at the end of which the asset is not expected to have any residual value. The unit is considering the alternative choices of (a) taking the machinery on lease, or (b) purchasing the asset by raising a loan. Lease payments (Rs. 2,95,902) are to be made in advance and the lessor requires the asset to be completely amortized over its useful life.

The cost of debt is worked out at 16% per annum. The lender requires the loan to be re-paid in 10 equal annual instalments becoming due at the beginning of the first year. Average rate of income tax is 50%. It is expected that the operating costs would remain the same under either method. The firm follows straight line method of depreciation and the same is accepted for tax purpose. As a financial consultant, indicate what your advice will be?

∓(DBUS 32)

(DBUS 33)

M.B.A. (3 Years) DEGREE EXAMINATION, DECEMBER 2019.

Third Year

PROJECT MANAGEMENT

Time : Three hours

Maximum : 70 marks

SECTION A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. (a) Technical analysis.
- (b) Estimation of human resource.
- (c) Use of network analysis.
- (d) Project reports.
- (e) PERT.
- (f) Project evaluation.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

2. Discuss the role of a project manager in preparing the project.
3. What do you mean by project report? Explain its contents in detail.
4. What is project management? Explain its advantages and disadvantages.
5. Briefly explain about integrated project management control system.
6. Write a brief note on “Review of project”.
7. Enumerate various steps involved in the process of project management.

SECTION C — (10 marks)

Case study

8. Project consisting of eight activities has the following characteristics.

Activity	Preceding activity	Time estimates (in weeks)		
		Optimistic	Most likely	Pessimistic
A	None	2	4	12
B	None	10	12	26
C	A	8	9	10
D	A	10	15	20
E	A	7	7.5	11
F	B, C	9	9	9
G	D	3	3.5	7
H	E, F, G	5	5	5

- (a) Draw the PERT network for the project.
- (b) Determine the critical path.
- (c) If a 30 week deadline is imposed, what is the probability that the project will be finished within the time limit? ; and
- (d) If the project manager wants to be 99% sure that the project is completed on schedule data, how many weeks before that data should he start the project work? (area of normal curve between $Z = 0$ and $Z = 0.41$ is 0.1591 and the value of Z which covers 49% of area is 2.33).
