Enrollment No:-_____   Exam Seat No:-_____

C.U.SHAH UNIVERSITY
Summer-2015

Subject Code: 5MC01FMA1   **Subject Name: Financial Management**
Course Name:M.Com. (English/Gujarati)   Date: 8/5/2015
Semester:I   Marks : 70
                                                       Time:10:30 TO 01:30
_____

Instructions:
1) Attempt all Questions of both sections in same answer book/Supplementary.
2) Use of Programmable calculator & any other electronic instrument prohibited.
3) Instructions written on main answer book are strictly to be obeyed.
4) Draw neat diagrams & figures (if necessary) at right places.
5) Assume suitable & perfect data if needed.
_____

Q-1	A	Give examples of Tax Shelters.	2
	B	What do you mean by Preference Shares?	2
	C	What do you mean by Systematic Risk?	2
	D	What is the difference between IPO and FPO?	1

Q-2	A	Differentiate between Diversifiable and Un-diversifiable risk.	5
	B	Differentiate between Fundamental and Technical Analysis.	5
	C	An investor is investing in the stock of two company	4

Company	Return	Risk
A	10%	25%
B	15%	35%

The co-efficient of co-relation between the two stock is zero
  i) Find out the weightage of investment in each stock is (WA, WB)

OR

Q-2	A	What are the duties of merchant banker for making the offer document public?	5
	B	What do you mean by proportionate allotment procedure?	5
	C	A Company has currently paid a dividend of Rs. 5 per share and it expects a growth rate of 12% for indefinite period. Investors required rate of return is 17% calculate the intrinsic value of the stock	4

Q-3	A	Which are the salient features of the bond?	5
	B	What is the difference between YTM and YTC?	5
	C	IT Company currently pays a dividend of Rs. 5 per share on its equity share. A dividend is expected to grow at 6% per year indefinitely stocks with similar risk currently are priced to provided a 12% expected return what is the intrinsic value of the stock	4

OR

Q-3	A	What are the benefits of a Depository System?	5
	B	What are premises for Technical Analysis?	5
	C	XYZ limited paid a dividend of Rs. 2 per share for the current year a constant growth in dividend of 10% has been forecasted for an indefinite period. Investors required rate of return has been estimated to 15% the current market share is Rs. 60 find out the interesting value of the stock and give your recommendation.	4

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8-5

Q-4	A	What do you mean by EIC analysis?	2
	B	What do you mean by Underwriting?	2
	C	What do you mean by nominal return?	2
	D	Give the full form of CDSL.	1

Q-5	A	Which are the different types of risk?	5
	B	Which are the documents to be submitted by the merchant banker along with the offer document?	4
	C	Calculate the risk and return on the portfolio comprising of following two securities: A-Expected return=10%,Risk=15%; B-Expected return=17%, Risk=23%, r=0.3	5

OR

Q-5	A	Write a short note on various investment avenues	5
	B	Write the depository process in brief?	5
	C	Find the intrinsic value of the bond if YTM=10%, Coupon rate= 12% paid semi-annually with a life of 10 years and face value of Rs. 100.	4

Q-6	A	Which are the different types of Technical Analysis models?	5
	B	What are the norms for appointment of Lead Merchant Bankers?	4
	C	What are the benefits of a Depository System?	5

OR

Q-6	A	Write a short note on zero coupon bond	5
	B	Why is Economic Analysis important in Fundamental Analysis?	5
	C	Explain in detail Company Analysis in EIC model.	4

8-5

5|`Gv!		
s!f	8[S; X[<8;" G]\ pNFCZ6 VF5MP	sZf
sZf	5|[OZg; X[Z GM VY" ;DHFJMP	sZf
s#f	jIJI:YT IZ:S V[8,[X]\ ;DHFJMP	sZf
s$f	IPO VG[FPO JrR[X]\ TOFJT K[P	s!f
5|`GvZ		
s!f	Diversifiable VG Undiversifiable HMBD JrR[GM TOFJT ;DHFJMP	s5f
sZf	D}/E}T VG[8[SGLS, V[GFl,;L; JrR[TOFJT ;DHFJMP	s5f
s#f	V[S ZMSF6SFZ[A[S\5GLGF X[Z DF\ ZMSF6 SZ[, K[P	s$f

Company	Return	Risk
A	10%	25%
B	15%	35%

;C SFI"1FD A[:8MS JrR[GM ;C ;\A\W X}gI K[P NZ[S :8MS ZMSF6 EFZF\S (WA,WB) XMWMP

	VYJF	
5|`GvZ		
s!f	VMOZ 0MSI]D[g8DF\ HFC[Z AGFJJF DF8[DR"g8 A[gSZGL OZHM X]\ K[m	s5f
sZf	5|DF6;Z OF/J6L 5|ISIFGM VY" ;DHFJMP	s5f
s#f	S\5GL ~qP 5 l0lJ0g0 JT"DFG JQF" DF8[X[Z L IN9 VG[l0lJ0g0 T[GF ;TT J'lwW NZ indefinite ;DIUF/F DF8[!Z@ K[P DFS["8 S[I58F,F.h[XG NZ !*@ K[P TM X[ZGL VF\TZLS D}<I XMWMP	s$f
5|`Gv#		
s!f	AMg0 GL lJX[QFTFVM ;DHFJM m	s5f
sZf	YTM VG[YTC JrR[X]\ TOFJT K[m	s5f
s#f	VF.8L S\5GL CF,DF\ ~qP 5 l0lJ0g0 R}SJ[K[P T[GF .ISJ8L X[Z 5Z l0lJ0g0 &@ ;DFG HMBD ;FY[X[ZMDF\ :8MS J'lwW 5FD[T[JL XSITF K[P CF,DF\ V5[l1FT !Z@ ZL8G" K[P TM :8MSGL VF\TZLS D}<I X]\ K[P	s$f
	VYJF	
5|`Gv#		
s!f	l05Mlh8;" I;:8DDF\ X]\ OFINF K[m	s5f
sZf	8[SIGS, V[GFl,;L; DF8[X]\ HuIF K[m	s5f
s#f	XYZ Ltd. ~qP Z l0lJ0g0 R}SJJFDF\ VFJ[K[P RF,]\ JQF"DF\ !_@ l0lJ0g0 ;TT J'lwW VIGIÇT ;DI DF8[VG[]DFIGT V\NFH S[VFUFCL SZJFDF\ VFJL K[P ZMSF6SFZM J/TZ H~ZL NZ JT"DFG AHFZ X[Z ~qP &_ V\NFH SZJFDF\ VFJL K[P HM	s$f

8-5

	!5@ ZLSJFIZ0 ZL8G" CMI TM Z;5|N IS\DT XMWJF VG[TDFZL E,FD6 VF5MP	
5|`Gv$		
s!f	EIC lJx,[QF6 GM VY" VF5MP	sZf
sZf	lJDFSZ6 V[8,[X]\ m	sZf
s#f	GÒJL J/TZ GM VY" ;DHFJMP	sZf
s$f	CDSL G]\ 5]~GFD VF5MP	s!f
5|`Gv5		
s!f	HMBDGF lJlJW 5|SFZM ;DHFJMP	s5f
sZf	VMOZ 0MSI]D[g8GL ;FY[DR"g8 A[gSZ §FZF ;AID8 SZJF DF8[GF N:TFJ[HM SIF K[P	s$f
s#f	HMBD U6TZL VG[A[I;IMIZ8Lh GLR[GF WZFJTL5M8"OM,LM 5Z i) V5[l1FT J/TZ=!_@ IZ:S Z5@ ii) V5[l1FT J/TZ= !5@ IZ:S #5@ WA=66% AND WB=34%	s5f
	VYJF	
s!f	lJlJW ZMSF6 5Z 8}\S GMW ,BMP	s5f
sZf	;\l1F%TDF\ l05Mlh8ZL 5|ISIF ,BMP	s5f
s#f	YTM= !_@4 S}5GZ[8= !Z@ HM AMg0GL IS\DT ~qP !__ VG[!_ JQF"4 VW" JFlQF"S R}SJ6L CMI TM AMg0GL VF\TZLS IS\DT XMWMP	s$f
5|`Gv&		
s!f	8[SIGS, V[GFl,;L; DM0[,GL lJlJW 5|SFZM ;DHFJMP	s5f
sZf	l,0 DR"g8 A[gS;" GL IGD6]\S DF8[WMZ6M X]\ K[m	s$f
s#f	l05Mlh8ZL l;:8D GF OFINF X]\ K[m	s5f
	VYJF	
s!f	X}gI S}5G AMg0 5Z 8}\SGMW ,BMP	s5f
sZf	.SMGMIDS; V[GFl,;L; D}/E}T lJx,[QF6M DF8[XF DF8[DCtJ G]\ K[P	s5f
s#f	EIC DM0[, lJUTJFZ S\5GL lJx,[QF6 ;DHFJMP	s$f

8-5