



**UA-3550**

**Third Year B. B. A. (Sem. VI) Examination**

**March / April – 2012**

**Stock Exchange & Portfolio Management**

Time : Hours]

[Total Marks : 70

**Instructions :**

(1)

नीचे दृशावेक निशानीवाणी विगतो उत्तरवाडी पर अवश्य लपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="Third Year B. B. A. (Sem. VI)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="Stock Exchange &amp; Portfolio Management"/>	<input type="text"/>
Subject Code No. : <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/>	Section No. (1, 2,...): <input type="text" value="Nil"/>
Student's Signature	

- 1 Explain following terms (any seven) 14
- Primary and secondary market
  - Demat and Remat
  - Kerb trading and Spread
  - Odd-lot and permitted securities
  - Backwardation charges and carry-forward facility.
  - Long and short positions.
  - Diversification and Portfolio
  - Sponsors and Market Makers

- 2 (a) Write a short note on Industrial security market and Government Security Market. 6
- (b) 'New Issue Market and Stock Exchange are two sides of the same coin'. Discuss. 6

**OR**

- 2 (a) Discuss the recent trends in the Indian Capital Market. 6
- (b) What is Public Issue and Rights Issue ? 6  
Compare advantages of both types of issue.

- 3 (a) Explain major factors affecting option pricing. 6  
 (b) Explain depository process in India. 6

**OR**

- 3 (a) Discuss the mechanism of short call and short put. 6  
 (b) What are the advantages of depository system to investors and companies ? Explain. 6

- 4 (a) Explain trading procedure at OTCEI. 6  
 (b) Explain any four types of speculative transactions. 8

**OR**

- 4 (a) What are the benefits of listing on NSE ? 6  
 (b) Explain clearing process of securities. 8

- 5 Attempt any **three** : 18

- (a) Discuss Markowitz model with use of Marginal Utility Curve.  
 (b) Explain the various methods of diversification.  
 (c) With the use of Sharpe model rank the following securities. Assume risk free return is 8% and variance of market index  $\sigma_m^2 = 12\%$ .

Security	Expected Return ( $R_i$ )	Beta ( $\beta_{im}$ )	$\sigma_{ci}^2$
<i>A</i>	20	1.0	40
<i>B</i>	18	2.5	35
<i>C</i>	12	1.5	30
<i>D</i>	16	1.0	35
<i>E</i>	14	0.8	25
<i>F</i>	10	1.2	15
<i>G</i>	17	1.6	30
<i>H</i>	15	2.0	35