



Roll No.....

G.L. Bajaj Institute of Management & Research

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.)-201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2019-21) MID TERM EXAMINATION (TERM-IV)

Subject Name: Security Analysis and Portfolio Management Time: 01.30 hour
Sub. Code: PGF-02 Max Marks: 20

Note:

1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A, B & C. Section A carries 1 Case Study, 8marks, Section B carries 3 questions of 2 marks each and Section C carries 2 questions 3 marks each.

SECTION A**8 Marks**

Q. 1: Case Study:

Read the case of Infotech Limited given below and discuss the questions given at the end of the case.

Particulars	2019	2020
Income Statement (Rs Crore)		
Net Sale	2040	2180
Cost of Goods sold	1468	1614
Gross profit	572	566
Operating expenses	216	222
Operating profit	356	344
Non-operating Surplus/ deficit	11	14
PBIT	367	358
Interest	80	90
Profit before tax	287	268
Tax	70	76
Profit after tax	217	192
Dividends	120	120
Retained earnings	97	72
Balance Sheet (Rs Crore)		
Equity share capital (Rs 10 par)	400	400
Reserves and surplus	800	872
Shareholder's funds	1200	1272
Loan funds	400	450
Capital employed	1600	1722
Net Fixed asset	1200	1300



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Investments	55	55
Net current assets	345	367
Total assets	1600	1722
Market price per share (end of year)	90	82.5

Find out the following:

- i) Calculate the following for the 2019 and 2020: Return on equity; Book value per share; EPS; Retention Ratio.
- ii) PE ratio of the company for Year 2019 and year 2020. How would you interpret the variations in the P/E ratio over two years period? Explain the rationale.

SECTION B

(2 X 3 = 6 Marks)

Q. 2: How right shares are different from preferential allotments? Explain with suitable examples.

Q. 3: How do the following Investments compare in terms of return, risk, marketability, tax shelter, and convenience:

Equity shares, bank deposits, public provided fund and gold

Q. 4: Why are the stock markets of almost all countries showing strong buying and bullish trend when the economies are showing strong weakness? Explain.

SECTION C

(3 X 2 = 6 Marks)

Q.5: Comment critically on gold as an investment in form of Gold Sovereign Bonds, Gold ETF and Bullion.

Q.6: How Book Building Process of an IPO helps in discovery of Share Price. How is ASBA feature helpful for Investor?