

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

POST GRADUATE DIPLOMA IN MANAGEMENT (2024-26)
END TERM EXAMINATION (TERM -III)

Subject Name: **Security Analysis and Investment Management**

Time: **02.00 hrs**

Sub. Code: **PGF32**

Max Marks: **40**

Note: All questions are compulsory. Section A carries 12 marks: 6 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each, and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.

Kindly write all the course outcomes as per your TLEP in the box given below:

- CO1-** Students will be able to understand core concepts of various investment opportunities for the investor's decisions
CO2- Students will be able to understand and apply the role of security markets for different investment options with the application of digital tools
CO3- Students will be able to apply and analyze the techniques for stocks valuation
CO4- Students will be able to apply and analyze the techniques for bonds valuation
CO5- Students will be able to understand and evaluate the various fundamental and technical analysis tools
CO6- Students will create and analyze a portfolio including the stocks from various sectors

SECTION - A

Attempt all questions. All questions are compulsory.

2×6 = 12 Marks

Questions	CO	Bloom's Level
Q. 1: (A). “Speculation is the seed of trouble”. Justify the statement	CO 1	L-2
Q. 1: (B). “Even cost compounds in long term”. Discuss the importance of the statement for comparing direct and regular mutual fund plans.		L-3
Q. 1: (C). Discuss the pros and cons of REITs in India.	CO 2	
Q. 1: (D). “SEBI-the watchdog of Indian Stock Markets”. Discuss the statement.		
Q. 1: (E). Discuss the role of “Grey Market Premium” for price discovery in IPO.		
Q. 1: (F). Discuss the role of ASBA in the IPO process.		

SECTION – B

All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)

6 x 3 = 18 Marks

Questions	CO	Bloom's Level
Q. 2: (A). Explain the processes below concerning secondary stock market transactions: i) Mark to market Margin ii) Short Selling and its Applications Or Q. 2: (B). Explain the below concerning initial public offering: i) What is a Red Herring Prospectus and the information disclosed in the same? ii) What is book building process and how does it facilitate price discovery?	CO 2	L-3
Q. 3: (A). Prepare a list of the five most preferred banks based on the data below:		L-4

If Nifty Bank has a P/E-13.6. Give justification of your ranking.

CO
3

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	HDFC Bank	1823.00	20.02	1394945.06	1.07	18340.11	2.31	85040.17	9.01	7.67
2.	ICICI Bank	1359.55	19.48	960647.11	0.74	13846.89	16.56	47037.12	15.10	7.60
3.	St Bk of India	777.00	8.70	693442.93	1.74	19483.78	17.27	124653.66	10.44	6.16
4.	Kotak Mah. Bank	2186.45	22.12	434714.97	0.09	4701.02	10.23	16633.14	14.75	7.86
5.	Axis Bank	1106.45	12.10	342634.86	0.09	6778.91	3.86	32162.20	11.42	7.06
6.	Bank of Baroda	221.45	5.61	114519.83	3.43	5249.74	8.88	32569.84	8.42	6.33
7.	Punjab Natl.Bank	94.70	6.42	108838.16	1.54	4811.02	97.35	31894.80	14.52	5.46
8.	Canara Bank	89.28	5.01	80982.78	3.56	4255.68	11.19	30750.73	7.93	6.63
9.	IndusInd Bank	643.30	6.90	50116.57	2.51	1401.28	-39.02	12800.77	10.62	7.93
10.	Federal Bank	195.00	11.85	47885.49	0.60	951.31	-8.81	7264.87	19.39	6.93
11.	IDFC First Bank	57.06	21.67	41777.67	0.00	340.17	-53.53	9342.99	18.57	6.93
12.	AJ Small Finance	555.00	20.31	41315.52	0.18	528.45	40.83	4113.48	50.36	7.71
Median: 12 Co.		599.15	11.97	111678.99	0.91	4756.02	9.55	31322.76	12.97	6.99

Or

Q. 3: (B). Analyze the “coffee can invest style” and its utility in the present volatile market scenario.

Q. 4: (A). A company issues a bond with a face value of ₹1,000, a coupon rate of 8% per annum, and a maturity period of 5 years. The interest is paid annually. If the required rate of return (market interest rate) is 10% per annum, what is the present value (price) of the bond?

Or

Q. 4: (B). “RBI MPC Meet Highlights: Led by Sanjay Malhotra, the RBI's MPC is anticipated to cut the repo rate by 25 bps and shift to an 'accommodative' stance, aiming to bolster economic growth amid subdued inflation. This decision follows a previous rate cut and CRR reduction to enhance liquidity.”

Discuss the impact of above on bond yield.

CO
4

L-4

SECTION - C

Read the case and answer the questions

5×02 = 10 Marks

Questions

CO

Bloom's Level

Q. 5: Case Study:

CO
5

L-5

For an XYZ company, refer to the below financial statements and analyze the

Income Statement (Rs Crore)

Particulars	2018	2019	2020	2021	2022
Net Sales	900	1020	1100	1240	1400
Cost of Goods Sold	630	714	770	868	980
Gross Profit	270	306	330	372	420
Operating Expenses	60	65	75	85	95
Operating Profit	210	241	255	287	325
Non-Operating Surplus/Deficit	5	8	10	-5	-3
PBIT	215	249	265	282	322
Interest	30	35	40	42	38
Profit Before Tax	185	214	225	240	284
Tax	36	40	45	50	57
Profit After Tax	149	174	180	190	227
Dividends	50	55	58	60	65
Retained Earnings	99	119	122	130	162

Balance Sheet (Rs Crore)							
Particulars	2018	2019	2020	2021	2022		
Equity Share Capital (Rs 10 par)	180	180	200	220	250		
Reserves & Surplus	400	500	580	650	780		
Shareholder's Funds	580	680	780	870	1030		
Loan Funds	350	400	480	520	550		
Capital Employed	930	1080	1260	1390	1580		
Net Fixed Assets	550	620	680	750	850		
Investments	40	50	55	65	75		
Net Current Assets	340	410	525	575	655		
Total Assets	930	1080	1260	1390	1580		
Market Price Per Share (End of Year)	50	55	60	65	80		
Questions: Q. 5: (A). Earning Trend of the company Q. 5: (B). Valuation attractiveness of the company using company analysis tools.							

Kindly fill the total marks allocated to each CO's in the table below:

COs	Question No.	Marks Allocated
CO1	Q1 (A,B,C)	6
CO2	Q1 (D,E,F) and Q2	12
CO3	Q3	6
CO4	Q4	6
CO5	Q5	10
CO6		

(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create