



SB-1394

Third Year B. B. A. (Sem - VI) Examination
March / April - 2011
Stock Exchange & Portfolio Management

Time : 3 Hours]

[Total Marks : 70

Instruction :

नीचे दशावेक निशानीवाणी विगतो उत्तरवडी पर अवश्य दभवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="T. Y. B. B. A. (SEM - VI)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="STOCK EXCHANGE & PORTFOLIO MANAGEMENT"/>	<input type="text"/>
Subject Code No. : <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="4"/>	<input type="text"/>
Section No. (1, 2,.....) : <input type="text" value="Nil"/>	
Student's Signature	

- 1 Explain following terms : 14
- (a) Contango and Backwardation.
 - (b) Insider trading.
 - (c) Portfolio and Diversification
 - (d) Options and Futures
 - (e) Beneficiary of depository and Issuer
 - (f) Client Broker and Jobber
 - (g) IPO and Seasoned Equity Offering.

- 2 List the reforms that have taken place in Indian capital market in the last two decades. 10

OR

- 2 What is a capital market ? How are financial instruments used to assist the functioning of a capital market ? Explain in brief the features of the different financial instruments. 10

- 3 (a) What are the basic differences as well as relationship between new issue market and stock exchange ? 7
- (b) Explain the importance of origination function of New Issue Market. 7

OR

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[Contd...

- 3 (a) Explain methods of underwriting and classification of underwriters. 7
(b) Explain the settlement cycle of any stock exchange. 7
- 4 (a) What are the benefits of trading on OTCEI ? 7
(b) Construct a portfolio of two investments X and Y. Calculate risk and return. Which is the best out of the three portfolios ? The following information is given. 7

	X	Y
Expected Return	11%	20%
Standard Deviation	9%	18%

The coefficient of correlation $r_{xy} = 0.15$.

Calculate when

- (i) 50% of funds are in X and 50% in Y
(ii) 75% in X and 25% in Y
(iii) All funds are invested in Y

OR

- 4 (a) Enlist basic types of transactions. Explain margin trading with an example. 7
(b) Explain the contribution of Markowitz in portfolio management. 7
- 5 Write short notes : (any **three**) 18
(a) Features of NSE
(b) Role of depository in market transfers
(c) Process of portfolio management
(d) Mechanism of long call and long put options
(e) Clearing Procedure.