

- 1-e. The primary assumption of the dividend discount model (DDM). (CO3, K1) 1
- (a) The company will pay a constant dividend forever
 - (b) The company will increase its dividend payout ratio over time
 - (c) The company will decrease its dividend payout ratio over time
 - (d) The company will pay a dividend only for a finite period
- 1-f. The minimum percentage of shares that an acquirer must acquire to trigger an open offer. (CO3, K1) 1
- (a) 0.15
 - (b) 0.2
 - (c) 0.25
 - (d) 0.3
- 1-g. Unsystematic risk is called. (CO4, K1) 1
- (a) The risk that is unique to a particular company or industry
 - (b) The risk that affects the entire market or economy
 - (c) The risk that is associated with a particular investment
 - (d) The risk that is not associated with any investment
- 1-h. Standard deviation is. (CO4, K1) 1
- (a) A measure of systematic risk
 - (b) A measure of unsystematic risk
 - (c) A measure of total risk
 - (d) A measure of expected return
- 1-i. The process of evaluating the performance of an existing portfolio called. (CO5, K1) 1
- (a) Return on investment (ROI)
 - (b) Sharpe ratio
 - (c)) Treynor ratio
 - (d) All of the above
- 1-j. The metrics used to evaluate the performance of a portfolio is. (CO5, K2) 1
- (a) A measure of a portfolio's return relative to its risk
 - (b) A measure of a portfolio's risk relative to its return
 - (c) A measure of a portfolio's diversification
 - (d) A measure of a portfolio's liquidity
2. Attempt all parts:-
- 2.a. Explain Divestiture. (CO1, K1) 2
- 2.b. Define industry life cycle. (CO2, K1) 2
- 2.c. Define Types of Acquisitions. (CO3, K1) 2
- 2.d. Explain P/E ratio. (CO4, K1) 2
- 2.e. Explain the different Parameters used to evaluate mutual fund performance. (CO5, K2) 2

SECTION-B

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3. Attempt all parts:-	
3.a. Answer any <u>one</u> of the following:-	
3.a.(i) Outline the steps involved in the investment process. Explain the importance of each step in achieving investment objectives. (CO1, K2)	6
3.a.(ii) Write a note on various challenges of Mergers. (CO1, K2)	6
3.b. Answer any one of the following:-	
3.b.(i) Define resistance level. Explain its importance in technical analysis. (CO2, K2)	6
3.b.(ii) Differentiate technical analysis from fundamental analysis. (CO2, K3)	6
3.c. Answer any one of the following:-	
3.c.(i) Discuss the role of dividend growth rate in the dividend discount model. Explain how dividend growth rate affects the estimated intrinsic value. (CO3,K3)	6
3.c.(ii) Discuss the limitations of the CAPM. Explain the implications of these limitations for investment decision-making.(CO3,K2)	6
3.d. Answer any one of the following:-	
3.d.(i) Discuss the concept of standard deviation. Explain how standard deviation is used to measure risk. (CO4, K2)	6
3.d.(ii) Discuss the limitations of Markowitz theory. Explain the implications of these limitations for portfolio management. (CO4, K2)	6
3.e. Answer any one of the following:-	
3.e.(i) Explain the different metrics used to evaluate mutual fund performance. (CO5,K2)	6
3.e.(ii) Discuss the different types of portfolio performance evaluation methods. (CO5, K2)	6
<u>SECTION-C</u>	50
4. Answer any <u>one</u> of the following:-	
4-a. Write a note on the consequences of treating investment as gambling or speculation? Explain the importance of adopting a disciplined and informed approach to investment. (CO1, K3)	10
4-b. Discuss the importance of diversification in investment. Explain how diversification helps reduce risk and increase potential returns. (CO1, K2)	10
5. Answer any <u>one</u> of the following:-	
5-a. Discuss the role of financial statements in fundamental analysis. Explain how financial statements help analysts estimate a company's intrinsic value. (CO2, K3)	10
5-b. Explain the concept of merger and its significance in the corporate world. Discuss the different types of mergers and their characteristics. (CO2, K2)	10
6. Answer any <u>one</u> of the following:-	
6-a. Explain the balance sheet approach to valuing equity. Discuss the importance of estimating the value of assets and liabilities. (CO3,K2)	10
6-b. Discuss the legal aspects of takeovers in India. Explain the role of the Companies Act, 2013. (CO3,K2)	10
7. Answer any <u>one</u> of the following:-	
7-a. Explain the Sharpe Index Model. Distinguish it from Markowitz model. (CO4,K3)	10
7-b. Describe DCF approach for valuation of a business entity including its advantages.	10

(CO4, K2)

8. Answer any one of the following:-

8-a. Suppose that the 10-year annual return for the S&P 500 (Market Portfolio) is 10% while the average return on treasury bills (a goods proxy for the risk-free rate is 5%. The S & P 500 has a standard deviation of 18% over a 10-year period. Determine the sharp ratio for the following portfolio. (CO5,K3) 10

Manager of Different Portfolio Annual Return Portfolio Standard Deviation

A 14% 0.11

B 17% 0.20

C 19% .27

8-b. Discuss the factors that the NCLT considers when evaluating insolvency resolution plans, including the feasibility and viability of the plan. (CO5, K2) 10

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