

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (IB) – SEMESTER III – EXAMINATION – WINTER 2019

Subject Code:1539322

Date:03/12/2019

Subject Name: International Investment & Portfolio Management

Time:10:30 AM To 01:30PM

Total Marks:70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 Explain the following terms:** **14**
1. Investment V/S Gambling
 2. Risk Free Rate of Return
 3. Exchange Traded Fund
 4. Net Asset Value
 5. Resistance Line and Support Line
 6. Custody Risk
 7. Indices

- Q.2 (a) What is EIC analysis? Briefly discuss the requirements of Economy analysis.** **07**

- Q.2 (b) Considering yourself as an Investment Advisor of reputed financial firm, discuss the common factors which investor should keep in mind while choosing an Investment Avenue for future investment.** **07**

OR

- Q.2 (b) What is Random Walk Theory? Briefly discuss Security Market Line.** **07**

- Q.3 (a) Describe various types of Insurance products available.** **07**

- Q.3 (b) From the following information of Beginning and Ending values of Dr. Reddy's Labs on NYSE, calculate Holding Period Return and Yield of each year and Arithmetic Mean as well as Geometric Mean of entire investment period from 2015 to 2018 and analyze the situation.** **07**

(Amount in \$)

Year	Price of Dr. Reddy's Labs
2014	49.60
2015	87.65
2016	62.40
2017	83.44
2018	95.87

OR

- Q.3 (a) Differentiate Fundamental and Technical Analysis.** **07**

- Q.3 (b) The expected dividend per share on the equity shares of Wipro ltd is ` 4. During past 5 years dividend has grown at 5% per annum and is expected to grow at the same rate in future. Find out the intrinsic value of equity shares of company if the required rate of return is 10%.** **07**

- Q.4 (a) Discuss the Assumption of Markowitz Portfolio Theory and explain efficient portfolio.** **07**

Q.4 (b) Describe the Functions of Financial Market and its classification. 07

OR

Q.4 (a) Considering yourself as the Financial Advisor, which Frame Dependence Biases will you keep in mind while designing the investment plan? 07

Q.4 (b) Describe basic Assumptions of CAPM and explain CML. 07

Q.5 The Rate of return of Parle, Britannia and Sunfeast are given during three different market conditions of Indian Economy. Evaluate the performance of company based on following parameters and analyze the stocks.

State of Economy	Probability of occurrence	Rate of Return on Parle	Rate of Return on Britannia	Rate of Return on Sunfeast
Boom	0.60	10	12	15
Normal	0.30	6	10	11
Recession	0.10	2	-8	3

(a) Calculate Expected Rate of Return and compare the results 07

(b) Analyze the Variance of all companies. 07

OR

(a) Identify most safe company from the perspective of the risk. 07

(b) Calculate Coefficient of Variation and identify most stable company 07
