

**MASTER OF BUSINESS ADMINISTRATION
(MBACT)**

Term-End Examination

June, 2013

MCTE-035 : INVESTMENT ANALYSIS

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions. All questions carry equal marks.

1. Describe briefly various financial intermediaries in India. Discuss the rationale of financial intermediaries.
2. Describe the type of information and discuss its utility for investment analysis, provided by the following financial statement :
 - (a) Balance sheet
 - (b) Profit and Loss A/C
3. Explain the importance of earnings, dividend payout and required rate of return in estimating the theoretical value of the stock.
4. What should be the objective of financial reporting by business enterprises ? Discuss relevance and reliability as primary qualities of financial reporting information.

5. What is return ? Explain the components of total return and discuss how expected rate of return is calculated.
 6. What is diversification ? Explain the nature of portfolio risk if two securities are :
 - (a) Perfectly positively correlated
 - (b) Perfectly negatively correlated
 7. Distinguish between Treynor and Sharpe indices of portfolio performance. State the reasons for Treynor and Sharpe indices giving conflicting performance ranking.
 8. Explain the unique features of real estate market. Discuss the various schemes available for real estate finance.
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