

# PORTFOLIO MANAGEMENT



**Brand:** Mehta Solutions

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## Short Description

# PORTFOLIO MANAGEMENT case study

## Description

### Multiple Choices:

**Q1. \_\_\_\_\_ is the market for issue of new securities.**

1. Secondary Market
2. Consumer Market
3. Primary Market
4. Stock Market

**Q2. Inflation is measured in terms of either wholesale price or \_\_\_\_\_.**

1. Face Value
2. Retail Prices
3. MRP Value

#### **4. Tax Value**

**Q3. \_\_\_\_\_ is basically a channel through which the savings of investors are made available to**

**corporations for investment.**

- 1. Consumer Market**
- 2. Stock Market**
- 3. Retail Market**
- 4. Whole sale Market**

**Q4. The share premium reserve is the amount paid by the \_\_\_\_\_ in excess of the par value of the shares.**

- 1. Shareholders**
- 2. Stakeholders**
- 3. Tax payers**
- 4. Employees**

**Q5. \_\_\_\_\_ measures the return on sales and assets of the firm.**

- 1. Liquidity Ratios**
- 2. Turnover Ratios**
- 3. Common Stock Ratios**
- 4. Profitability Ratios**

**Q6. In which of the following chart, the closing price for each period is plotted as a point?**

- 1. Line Chart**
- 2. Bar Chart**
- 3. Point and Figure Chart**
- 4. R- Chart**

**Q7. Capital gains or losses arise when the investors sells his securities at a price\_\_\_\_\_.**

- 1. Similar from the Cost**
- 2. Different from the Cost**
- 3. Different from the Profit**
- 4. Similar from the Loss.**

**Q8. A steep rise in price, followed by wide uniform fluctuations around an average price lead to formulation of a \_\_\_\_\_.**

- 1. Channel**
- 2. Triangle**
- 3. Flag**
- 4. Wedge**

**Q9. CML stands for\_\_\_\_\_.**

- 1. Capital Market Life**
- 2. Cost Market Line**

3. **Capital Market Line**
4. **Capital Measurement Line.**

**Q10. The security return on any day is defined as:-**

1. **Today's Return = Today's Price + Yesterday's Price**

**Yesterday's Price**

1. **Today's Return = Today's Cost?yesterday's Cost**

**Yesterday's Price**

1. **Today's Return = Today's Price + Today's Cost**

**Yesterday's Price**

1. **Today's Return = Today's Price ? yesterday's Price**

**Yesterday's Price**

**Part Two:**

1. **Discuss the characteristics of Stock Exchange in India.**
2. **Describe the Dow Theory.**
3. **Write a short note on Capital Market Line.**
4. **Mr. X has put Rs. 9000 in a five – year fixed deposit account with a bank. If the bank pays interest at the rate of 15% per annum how much money would Mr. X receive on maturity of the deposit?**
5. **Mr. Robert bought 90 shares of ICA Fertilizers Ltd. at Rs. 59 each on**

**1/1/2008. On 1/6/2008, the company issued bonus shares in the ratio of 1:2. On 1/1/2010 Robert sold 35 of the bonus shares for Rs. 78. What is the capital gain made by him ignoring indexation?**

- 1. Analyze the characteristics of companies which have a small asset base and a low ratio of Market to book Value?**
- 2. Market capitalization of a company is a product of number of outstanding shares and the current market price. Since the current market price (CMP) of the stock does not remain constant, is investing for a long-term in a company looking at its present market value a good guiding principle? Explain.**

- 1. Why is the government reluctant to provide concession or remove tax on dividends declared by dedicated gilt funds?**
- 2. How can dedicated gilt funds be used to develop a retail segment for government securities?**
- 3. If dedicated gilt funds are exempted from income tax for individuals, what will be the implications of such measures on the retail gilt market?**

- 1. Discuss the concept of Portfolio Insurance.**
- 2. Discuss the fundamental notions of modern portfolio theory.**
- 3. Consider a Rs. 50 crores mutual funds floated on 1-1-2003 with a life of 8 year. The fund estimates that its annual outflow on account of dividend, operating and management costs would amount to Rs.15.5 crores. Suppose that the rate of interest is 16%. What is the target duration for this mutual fund?**

**1. Case study solved answers**

**2. pdf/word**

**3. Fully Solved with answers**