

# Advance Financial Management

ADVANCE FINANCIAL MANAGEMENT



INDEX is useful for CA Final Paper 6 IBS

## Features of INDEX -

- Covers ICAI Study material TYK – Practical & theory and illustrations.
- IMP concepts are highlighted in **RED & in different Font**
- Initial page contains chapter-wise details and initial wordings are in A-Z according to the chapter sequence



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Ch-14 Practical-12(ii)	What should be the exchange ratio in that case?	14.35	
Ch-14 Practical-9(iii)	What should be the exchange ratio; if XYZ Ltd.'s pre-merger and post-merger EPS are to be the same?	14.34	
Ch-14 Practical-11(i)	What will be the EPS subsequent to merger	14.35	
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Ch-14 Practical-9(ii)	What will XYZ Ltd.'s post-merger EPS be?	14.34	
Ch-14 Theory-4	Write a short note on Horizontal Merger and Vertical Merger.	14.31	
Ch-14 Practical-23	You are required to arrive at the value of the shares of both - (i) Net Asset Value Method (ii) Earnings Capitalisation Method (iii) Exchange ratio	14.42	
Ch-14 Practical-18	You are required to compute (i) The swap ratio. (ii) The Book Value, Earning Per Share and Expected Market Price	14.38	
Ch-14 ill-4	You are required to construct a table demonstrating the <b>potential impact of each scheme</b> on each set of shareholders	14.28	
Ch-14 Practical-14	You are required to determine: (i) Market value of both the company. (ii) Value of original shareholders. (iii) Price per share after merger. (iv) Effect on share price	14.36	
Ch-14 Practical-13	You are required to determine: Pre-merger Market Value per Share (ii) The maximum exchange ratio	14.35	
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Ch-14 Practical-16	You are required to: (i) Compute the Value of Yes Ltd. before and after merger. (ii) Value of Acquisition and (iii) Gain to shareholders of Yes Ltd	14.37	
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Ch-15 Theory-1	Explain some of the innovative sources for funding a start-up.	15.22	
Ch-15 Theory-2	What do you mean by Pitch Presentation in context of Start-up Business?	15.22	
Ch-2 Theory-1	Explain the significance of VAR.	2.8	
Ch-2 Theory-2	The Financial Risk can be viewed from different perspective. Explain.	2.8	
Ch-2 Practical-1	You are required to determine the <b>10-day 99% value at risk</b> for the portfolio?	2.8	

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Ch-3 ill-12	A Company named Roby's cube decided to <b>replace</b> the existing Computer system	3.36	
Ch-3 Practical-10	Analyse the <b>sensitivity of the project</b> to changes in initial project cost, annual cash inflow and cost of capital	3.43	
Ch-3 ill-10	Analyze what will be the NPV expecting worst scenario in the third year.	3.27	
Ch-3 Practical-12	<b>Calculate (i) Initial Investment of the Project (ii) Net Present Value of the Project (iii) Annual Fixed Cost (iv) Estimated annual unit of sales (v) Break Even Units</b>	3.44	
Ch-3 ill-6	Project B	3.18	
Ch-3 Practical-13	Calculate expected net present value of the project and give your decision whether company should accept the project or no	3.45	
Ch-3 ill-7	Calculate Net Present Value of the project based on Risk free rate and also on the basis of Risks adjusted discount rate.	3.20	
Ch-3 ill-8	calculate net present value under certainty equivalent technique.	3.22	
Ch-3 ill-2	Calculate NPV of the project if inflation rates for revenues & costs	3.4	
Ch-3 ill-3	Calculate the expected net present value for each project	3.13	
Ch-3 ill-4	Calculate the expected net present value of the project using 10 per cent discount rate if the Initial Investment of the project is ` 10,000	3.15	
Ch-3 ill-9(1)	Calculate the NPV of the project.	3.24	
Ch-3 ill-5	Calculate Variance and Standard Deviation of Project A and Project B	3.16	
Ch-3 Practical-4(i)	Calculate variance, standard deviation and co-efficient of variance for both the projects.	3.41	
Ch-3 Practical-7(v)	Coefficient of variation of X Ltd. on its average project which is in the range of 0.95 to 1.0. If the coefficient of variation	3.42	
Ch-3 Practical-25	Company Y wants to know whether it should <b>replace the equipment now or wait a year</b> with the clear understanding that the new machine is the best	3.50	
Ch-3 Practical-6(i)	Compute the expected net present values of projects A and B	3.42	
Ch-3 ill-9(2)	Compute the impact on the project's NPV considering a 2.5 per cent adverse variance in each variable. Which variable is having maximum effect?	3.24	
Ch-3 Practical-6(iii)	Compute the <b>profitability index</b> of each project.	3.42	
Ch-3 Practical-6(ii)	Compute the risk attached to each project i.e. standard deviation of each probability distribution.	3.42	
Ch-3 Practical-5(b)	Compute the standard deviation of the present value distribution and analyse the inherent risk of the projects.	3.41	
Ch-3 Practical-20(i)	Construct a decision tree for the proposed investment project and calculate the expected net present value (NPV)	3.48	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-3 ill-1	Determine NPV of the project with the following information:	3.3	
Ch-3 Practical-15	Determine the <b>risk adjusted</b> net present value of the following projects	3.46	
Ch-3 ill-11	Evaluate the proposal, adopting <b>decision tree approach.</b>	3.34	
Ch-3 Theory-4	Explain the steps involved in <b>Simulation Analysis</b>	3.39	
Ch-3 Practical-3(ii)	Explain whether your opinion will change, if you use coefficient of variation as a measure of risk.	3.40	
Ch-3 Practical-16	Find out the risk-adjusted discount rate (RADR) for these projects.	3.47	
Ch-3 Practical-8(i)	<b>Find the probable NPV;</b>	3.43	
Ch-3 Practical-8(ii)	<b>Find the worst-case NPV and the best-case NPV</b>	3.43	
Ch-3 Practical-26	Future replacement will be with identical machine with same cost. Revenue is unaffected by the age of the machine. Ignoring inflation and tax, determine the <b>optimum replacement cycle.</b>	3.50	
Ch-3 Practical-1(iii)	How would standard deviation of the present value distribution help in Capital Budgeting decisions	3.40	
Ch-3 Practical-14(ii)	If risk adjusted discount rate method is used, which project would be appraised with a higher rate and why?	3.46	
Ch-3 Practical-17	Show how the viability of the project is to be evaluated <b>(Inflation is given)</b>	3.47	
Ch-3 Practical-18	Show how the viability of the project is to be evaluated <b>(Inflation is given)</b>	3.47	
Ch-3 Practical-7(iv)	Standard deviation and coefficient of variation assuming that there are only three streams of cash flow, which are represented by each column	3.42	
Ch-3 Practical-8(iii)	<b>State the probability occurrence of the worst case, if the cash flows are perfectly positively correlated over time.</b>	3.43	
Ch-3 ill-3	State which project is preferable?	3.13	
Ch-3 Practical-7(ii)	The best case and the worst case NPVs	3.42	
Ch-3 Practical-1	The Company wishes to take into consideration all possible risk factors relating to airline operations. The company wants to know	3.40	
Ch-3 Practical-7(i)	The expected NPV of the project	3.42	
Ch-3 Practical-1(i)	The expected NPV of this venture assuming independent probability distribution with 6 per cent risk free rate of interest.	3.40	
Ch-3 Practical-1(ii)	The possible deviation in the expected value	3.40	
Ch-3 Practical-7(iii)	The probability of occurrence of the worst case if the cash flows are perfectly dependent overtime and independent overtime	3.42	
Ch-3 Theory-2	What is the <b>sensitivity analysis</b> in Capital Budgeting?	3.39	
Ch-3 Practical-20(ii)	What net present value will the project yield, if worst outcome is realized? What is the probability of occurrence of this NPV?	3.48	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-3 Practical-20(iii)	What will be the best outcome and the probability of that occurrence?	3.48	
Ch-3 Practical-22	When should the company <b>replace the machine</b> ?	3.49	
Ch-3 Practical-11	Which factor is the most sensitive to affect the acceptability of the project?	3.44	
Ch-3 Practical-24	Which machine company X should <b>buy</b> ?	3.50	
Ch-3 Practical-3(iii)	Which measure is more appropriate in this situation and why?	3.40	
Ch-3 Practical-4(ii)	Which of the two projects is riskier?	3.41	
Ch-3 Practical-6(iv)	Which project do you recommend? State with reasons.	3.42	
Ch-3 Practical-5(a)	Which project is better based on NPV, criterion with a discount rate of 10%?	3.41	
Ch-3 Practical-14(i)	Which project should be accepted	3.46	
Ch-3 Practical-2	which project should be accepted? Explain with workings.	3.40	
Ch-3 Practical-21	Which project should be selected and why? <b>(Cash flow &amp; Probability is given)</b>	3.48	
Ch-3 Practical-3(i)	Which project will you recommend based on the above data	3.40	
Ch-3 Practical-20(iv)	Will the project be accepted?	3.48	
Ch-3 Theory-3	Write a note on project appraisal under inflationary conditions	3.39	
Ch-3 Theory-1	Write short note on <b>Certainty Equivalent Approach.</b>	3.39	
Ch-3 Practical-23	<b>You are required to advise the company as to which alternative is to be adopted.(Old v/s Existing Machine)</b>	3.49	
Ch-3 Practical-19	You are required to calculate net present value of the project. <b>(Revenue, Cost &amp; Depreciation)</b>	3.47	
Ch-3 Practical-27	You are required to determine <b>optimal replacement period</b> of bike	3.51	
Ch-3 ill-13	You are required to determine the <b>optimal replacement period</b> of taxi if cost of capital	3.38	
Ch-3 Practical-9	You are required to measure the <b>sensitivity of the project</b> in relation to each of the following parameters	3.43	
Ch-3 Practical-13	You are required to measure the <b>sensitivity of the project's net present value</b> to a change in the following <b>project variables</b>	3.45	
Ch-4 Practical-1	Calculate <b>Exponential Moving Average (EMA)</b> of Sensex	4.34	
Ch-4 Theory-2	Explain Dow theory.	4.34	
Ch-4 Theory-1	Explain the <b>Efficient Market Theory</b> in and what is major misconception about this theory?	4.34	
Ch-4 Theory-3	Explain the Elliot Wave Theory of technical analysis.	4.34	
Ch-4 Theory-4	Explain the various indicators that can be used to assess the performance of an economy	4.34	
Ch-4 Practical-2	You are required to test the <b>weak form of efficient market hypothesis</b> by applying the run test at 5% and 10% level of significance	4.35	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-5 Practical-7(i)	1% for every one time of difference for <b>Interest and Fixed Dividend Coverage</b>	5.34	
Ch-5 Practical-7(ii)	2% for every one time of difference for <b>Capital Gearing Ratio.</b>	5.34	
Ch-5 Practical-21(ii)	A bond with 7.5% coupon interest, Face Value 10,000 & term to maturity of 2 years, presently yielding 6%. Interest payable half year	5.38	
Ch-5 Practical-27	Advice Mr. A whether he should invest all his money in one type of bond or he should buy both the bonds	5.39	
Ch-5 Practical-23	As an investor when will you exercise conversion for given market prices of the equity share	5.38	
Ch-5 Practical-24	Calculate - (i) Stock value of bond. (ii) The percentage of downside risk. (iii) The conversion premium (iv) The conversion parity price of the stock.	5.38	
Ch-5 Practical-12(ii)	Calculate its <b>sustainable growth rate</b> of earnings	5.36	
Ch-5 Practical-21	Calculate Market Price of:	5.38	
Ch-5 Practical-26	Calculate the expected market price, if increase in required yield is by 75 basis points.	5.39	
Ch-5 Practical-12(iii)	Calculate the fair price of the Company's share using dividend discount model, a	5.36	
Ch-5 Practical-13	Calculate the intrinsic value of the share	5.36	
Ch-5 Practical-4(i)	Calculate the present value of stock of ABC Ltd.	5.33	
Ch-5 Practical-10	<b>information:</b>	<b>5.35</b>	
Ch-5 Practical-1	compute is the price of the share today using both <b>Dividend Growth Model and Walter's Model.</b>	<b>5.32</b>	
Ch-5 Practical-3	Compute the current price at which equity shares should sell ( <b>2 stage growth</b> )	5.32	
Ch-5 Practical-7	Compute the value per equity share of the company assuming	5.34	
Ch-5 Practical-19	Determine the value of the bond if required yield	5.37	
Ch-5 Practical-12(i)	Draw <b>income statement</b> for the year	5.36	
Ch-5 Practical-9	Find out the present as well as the likely value of the share after the decision.	5.34	
Ch-5 Practical-21(i)	Government of India security currently quoted at 110, but yield is expected to go up by 1%.	5.38	
Ch-5 Practical-15(ii)	How would the <b>equilibrium price</b> change when	5.36	
Ch-5 Practical-20(i)	If he wants a yield of 13% what is the maximum price, he should be ready to pay for	5.37	
Ch-5 Practical-11(ii)	If the anticipated growth rate is 16% per annum, calculate the <b>indicative market price</b> with the same cost of capital.	5.35	
Ch-5 Practical-20(ii)	If the Bond is selling for 97.60, what would be his yield?	5.37	
Ch-5 Practical-11(iii)	If the company's cost of capital is 20% p.a. & the anticipated growth rate is 19% p.a., calculate the market price per share	5.35	
Ch-5 Practical-4(ii)	Is its <b>stock overvalued</b> if stock price	5.33	



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Ch-5 Practical-28	RBI sold a 91-day T-bill of face value of 100 at an yield of 6%. What was the issue price?	5.39	
Ch-5 Practical-14	Should Mr. A buy the share? If so, what maximum price should he pay for each share? Assume no tax on dividend income and capital gain	5.36	
Ch-5 Practical-16	<b>Show as to how the investor can maintain his target receipt from the investment for first 3 years and improved income</b>	5.37	
Ch-5 Practical-16	Show that the market value of the share is affected by the decision of the Board	5.36	
Ch-5 Practical-6(ii)	Suppose dividends were expected to grow at a rate of 20% per annum for 5 years and 10% per year thereafter. Now what is the firm's expected, or required, return on equity	5.33	
Ch-5 Practical-29	The company seeks your advice - the minimum period for the company to breakeven its investment expenditure overtime value of money.	5.39	
Ch-5 Practical-29	The company seeks your advice -as to the period of investment so as to earn a pre-tax income of 5%. (discuss)	5.39	
Ch-5 Practical-18(iii)	The impact of share re-purchase on the EPS,assuming that net income is same.	5.37	
Ch-5 Practical-5(i)	the maximum amount Mr. B should pay for shares, if he requires a rate of return of 13% per annum.	5.33	
Ch-5 Practical-5(ii)	the maximum price Mr. B will be willing to pay for share, if he is of the opinion that the 9% growth can be maintained indefinitely and require 13%	5.33	
Ch-5 Practical-18(ii)	The number of shares that can be re-purchased	5.37	
Ch-5 Practical-18(i)	The price at which the shares can be re-purchased, if the market capitalization of the company should be 210 lakhs after buyback,	5.37	
Ch-5 Practical-5(iii)	the price of share at the end of three years, if 9% growth rate is achieved	5.33	
Ch-5 Practical-2	What are the <b>ex-right price</b> of shares and the <b>value of a right</b>	5.32	
Ch-5 Practical-26	What is the current market price, duration&volatility of bond?	5.38	
Ch-5 Practical-15(i)	What is the <b>equilibrium price</b> of the equity stock of Platinum Ltd.?	5.36	
Ch-5 Practical-6(i)	what is the firm's expected or required return on equity using a <b>dividend-discount model</b>	5.33	
Ch-5 Practical-22	What is the premium over conversion value?	5.38	
Ch-5 Practical-12(iv)	What is your opinion on investment in the company's share at	5.36	
Ch-5 Practical-30	What was the net amount received by the Co. on issue of CP?	5.40	
Ch-5 Theory-1	Why should the duration of a coupon carrying bond always be less than the time to its maturity?	5.32	
Ch-5 Theory-2	Write short notes on Zero Coupon Bonds.	5.32	
Ch-5 Practical-25	You are required to analyse <b>bond refunding decision</b>	5.38	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-5 Practical-8	You are required to calculate the expected rate of return on company's shares as per CAPM model and <b>equilibrium price</b> per share by dividend growth model.	5.34	
Ch-5 Practical-17	You are required to calculate the required rate of return and intrinsic value of the stock.	5.37	
Ch-5 Practical-11(i)	You are required to compute - The cost of equity to the company if the market expects a growth rate of 15% p.a	5.35	
Ch-5 Practical-31	You are required to determine - <b>Dirty Price</b>	5.40	
Ch-5 Practical-31	You are required to determine - Repayment at maturity	5.40	
Ch-5 Practical-18	You are required to determine:	5.37	
Ch-5 Practical-12	You are required to:	5.35	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-6 Practical-25(ii)	Advisability of replacing Security 'Better' with NIFTY.	6.73	
Ch-6 Practical-32(iii)	Advise X Co. Ltd., of the comparative risk in the two investments by calculating the standard deviation	6.75	
Ch-6 Practical-2	advise-Whether to accept buy-back offer?	6.64	
Ch-6 Practical-24(c)	Also show how well the Fund will be compensated for the risk undertaken due to inclusion of stocks	6.72	
Ch-6 Practical-5(ii)	Assuming perfect correlation, show whether it is preferable to invest 75% in A and 25% in C or to invest 100% in E	6.66	
Ch-6 Practical-5(i)	Assuming three will have to be selected, state which ones will be picked.	6.65	
Ch-6 Theory-2	Briefly explain the objectives of "Portfolio Management".	6.64	
Ch-6 Practical-28	calculate Expected rate of return in each, using the Capital Asset Pricing Mode	6.73	
Ch-6 Practical-28	calculate <b>Simple Average return</b> of the portfolio.	6.73	
Ch-6 Practical-32(i)	Calculate the average return from the portfolio for the year ended	6.75	
Ch-6 Practical-27(ii)	Calculate The average return of his portfolio	6.73	
Ch-6 Practical-6	Calculate the Covariance and the Correlation coefficient of the two securities	6.66	
Ch-6 Practical-32(ii)	Calculate the expected average return from the portfolio for the yea	6.75	
Ch-6 Practical-27(i)	Calculate The expected rate of return of each security using Capital Asset Pricing Method	6.73	
Ch-6 Practical-1(i)	Calculate the expected return	6.64	
Ch-6 Practical-34(i)	Calculate the following: The Portfolio Beta	6.76	
Ch-6 Practical-16(ii)	Calculate the portfolio Beta.	6.69	
Ch-6 Practical-22	Calculate the risk of XYZ's short-term investment portfolio relative to that of the market	6.71	
Ch-6 Practical-1(ii)	Calculate the Standard deviation of returns.	6.64	
Ch-6 ill-1	Calculate the <b>systematic and unsystematic risk</b> for the companies' stocks	6.35	
Ch-6 Practical-26(i)	calculate: - Expected rate of return in each, using the Capital Asset Pricing Model (CAPM	6.73	
Ch-6 Practical-26(ii)	calculate: - Risk free rate of return.	6.73	
Ch-6 Practical-11(i)	Characteristic line for stock A	6.67	
Ch-6 Practical-7(i)	Comment on return and risk of investment in individual shares.	6.66	
Ch-6 Practical-7(ii)	Compare the risk and return of these two shares with a Portfolio of these shares in equal proportions	6.66	
Ch-6 ill-6	Compute Beta Value of the company as at the end of 2005. What is your observation	6.41	
Ch-6 Practical-8	Compute Beta Value of the Krishna Ltd. at the end of 2015 and state your observation	6.66	
Ch-6 Practical-36(i)	Compute the following: Portfolio beta	6.76	
Ch-6 ill-3	Compute the risk premium on Security K	6.40	
Ch-6 ill-4(ii)	Compute the $\beta$ Value and required returns for the following combination of investments	6.40	

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Ch-6 Practical-4(iv)	Correlation coefficient between the returns of the two stocks.	6.65	
Ch-6 Practical-40(c)	determine the <b>composition</b> of his <b>portfolio</b> .	6.78	
Ch-6 Practical-16(i)	Determine the portfolio return	6.69	
Ch-6 Practical-33	Determine whether the investor should liquidate his holdings in stocks A and B or on the contrary	6.75	
Ch-6 Theory-3	Discuss the Capital Asset Pricing Model (CAPM) and its relevant assumptions	6.64	
Ch-6 Practical-39(ii)	Estimate the Company's Cost of capital and the discount rate for an expansion of the company's present business.	6.77	
Ch-6 Practical-13(b)	Expected return of each stock, if the market return is equally likely to be 7% or 25%	6.68	
Ch-6 Practical-25(i)	Expected return on the portfolio, if the Government Securities are at 8% and the NIFTY is yielding 10%	6.72	
Ch-6 Practical-17(iii)	<b>risk</b>	6.70	
Ch-6 Practical-2	Find out the expected return and variability of returns of the equity shares if buyback offer is accepted by the investo	6.64	
Ch-6 Practical-7(iii)	Find out the proportion of each of the above shares to formulate a minimum risk portfolio.	6.66	
Ch-6 Practical-38	how much is the return of the share under <b>Arbitrage Pricing Theory</b> ?	6.77	
Ch-6 ill-1	If equal amount of money is allocated for the stocks what would be the portfolio risk?	6.39	
Ch-6 Practical-15(ii)	<b>If Mr. X borrows ` 1,00,000 at the risk free rate and invests the amount he borrows along with the original amount of ` 1,00,000 in security A and B in the same proportion</b>	6.69	
Ch-6 Practical-15(i)	<b>If Mr. X has ` 1,00,000 to invest and sells short ` 50,000 of security B and purchases ` 1,50,000 of security A what is the sensitivity of Mr. X's portfolio to the two factors?</b>	6.69	
Ch-6 Practical-23(ii)	If the company invests 15% of its investment in C, 15% in A, 10% in E and the balance in equal amount in the other two mutual funds, what is the beta of the portfolio	6.71	
Ch-6 Practical-23(i)	If the company invests 20% of its investment in each of the first two mutual funds and an equal amount in the mutual funds C, D and E, what is the beta of the portfolio?	6.71	
Ch-6 Practical-23(iii)	If the expected return of market portfolio is 12% at a beta factor of 1.0, what will be the portfolios expected return	6.71	
Ch-6 Practical-36(iii)	If the PM seeks to increase the beta to 1.2, how much risk free investment should he bring in?	6.77	
Ch-6 Practical-36(ii)	If the PM seeks to reduce the beta to 0.8, how much risk free investment should he bring in?	6.76	
Ch-6 ill-7(ii)	If the projected return is 18%, is the investment rightly valued?	6.43	
Ch-6 Practical-21(ii)	If you invest 30% in B Ltd. and 70% in A Ltd., what is your expected rate of return and portfolio Standard deviation?	6.70	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-6 Practical-29	In view of the above factors whether the investor should buy, hold or sell the shares? And why?	6.74	
Ch-6 Practical-30	In view of the above, advise whether the investor should buy, hold or sell the shares	6.74	
Ch-6 Practical-21(i)	Is investing in B Ltd. better than investing in A Ltd.?	6.70	
Ch-6 Practical-17(ii)	<b>portfolio return, beta, portfolio variance and portfolio standard deviation</b>	6.70	
Ch-6 Practical-34(iv)	Portfolio variance (on the basis of modern portfolio theory given by <b>Markowitz</b> )	6.76	
Ch-6 Practical-34(iii)	Portfolio variance using <b>Sharpe Index</b> Model	6.76	
Ch-6 Practical-42	<b>Rank the portfolios using (a) Sharpe's method, (b) Treynor's method and (c) Jensen's Alpha</b>	6.79	
Ch-6 Practical-34(ii)	<b>Residual variance</b> of each of the three shares	6.76	
Ch-6 Practical-17(iv)	<b>Sharpe ratio, Treynor ratio and Alpha of MFX, MFY and Portfolio Mix</b>	6.70	
Ch-6 Practical-31(ii)	Suppose the investor invests ` 4,000 out of ` 8,000 in security A. How he will allocate the balance between security B and C	6.74	
Ch-6 Practical-13(d)	The Alphas of the two stocks	6.68	
Ch-6 Practical-4(iii)	The covariance of returns from the two stock	6.65	
Ch-6 Practical-4(i)	The expected return on a portfolio containing A and B in the proportion of 40% and 60% respectively.	6.65	
Ch-6 Practical-4(v)	The risk of a portfolio containing A and B in the proportion of 40% & 60%	6.65	
Ch-6 Practical-13(c)	The Security Market Line (SML), if the risk free rate is 7.5% and market return is equally likely to be 7% or 25%	6.68	
Ch-6 Practical-4(ii)	The Standard Deviation of return from each of the two stock	6.65	
Ch-6 Practical-11(ii)	The systematic and unsystematic risk of stock A.	6.67	
Ch-6 Practical-40(a)	Using Arbitrage Pricing Theory, determine the expected return on the market index	6.78	
Ch-6 Practical-40(b)	Using Capital Asset Pricing Model (CAPM), determine the expected return on the market index	6.78	
Ch-6 Practical-14(ii)	What are the covariances among the various stocks	6.68	
Ch-6 ill-5	What is Pearl Ltd's Beta?	6.41	
Ch-6 Practical-21(iv)	What is the beta of Portfolio if A Ltd.'s weight is 70% and B Ltd.'s weight is 30%?	6.70	
Ch-6 Practical-12(i)	What is the beta of Security X	6.67	
Ch-6 Practical-39(i)	What is the beta of the Company's existing portfolio of assets?	6.77	
Ch-6 Practical-14(iv)	What is the beta of the portfolio consisting of equal investment in each stock	6.68	
Ch-6 Practical-23(ii)	what is the beta of the portfolio?	6.71	
Ch-6 Practical-12(ii)	What is the characteristic line for Security X?	6.68	
Ch-6 ill-2(i)	What is the expected return of company stock based on CAPM	6.39	
Ch-6 Practical-21(iii)	What is the market portfolios expected rate of return and how much is the risk -free rate?	6.70	
Ch-6 ill-4(i)	What is the market risk premium	6.40	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-6 Practical-14(i)	What is the sensitivity of returns of each stock with respect to the market	6.68	
Ch-6 Practical-15(iii)	what is the <b>sensitivity of the portfolio to the two factors</b>	6.69	
Ch-6 Practical-14(v)	What is the total, systematic and unsystematic risk of the portfolio in (iv)	6.68	
Ch-6 ill-7(iii)	What is your strategy?	6.43	
Ch-6 Practical-24(a)	What percentage of your portfolio should you allocate to stocks of Economy A if you want to increase the expected rate of return	6.72	
Ch-6 ill-8	What shall be the strategy?	6.43	
Ch-6 Practical-35	What should be the <b>optimum portfolio</b> assuming no short sales?	6.76	
Ch-6 Practical-23(iii)	what will be the <b>portfolios expected return</b>	6.71	
Ch-6 Practical-24(b)	What will be the standard deviation of your portfolio assuming that stocks of Economy A are included	6.72	
Ch-6 ill-7(i)	What would be the return from this investment	6.43	
Ch-6 ill-2(ii)	what would be the revised expected return on this stock?	6.39	
Ch-6 Practical-14(iii)	What would be the risk of portfolio consisting of all the three stocks equally	6.68	
Ch-6 Practical-31(i)	What would be the weight for each stock for a portfolio constructed by investing 5000 in portfolioX & 3000 in portfolioY	6.74	
Ch-6 Practical-22	Whether XYZ should change the composition of its portfolio.	6.71	
Ch-6 ill-8	which of the above stocks are over, under or correctly valued in the market?	6.43	
Ch-6 ill-9	With the help of following data determine the return on the security X.	6.45	
Ch-6 Theory-1	Write short note on factors affecting decision of investment in fixed income securities.	6.64	
Ch-6 Practical-7	You are required to	6.66	
Ch-6 Practical-25	You are required to advise Mr. FedUp in regard to the following, using Capital Asset Pricing Method	6.72	
Ch-6 Practical-17(i)	<b>You are required to calculate - variance of return from MFX, MFY and market return,</b>	6.70	
Ch-6 Practical-18	<b>You are required to calculate the expected rate of return on the company's shares as per CAPM model and the equilibrium price per share by dividend growth model</b>	6.70	
Ch-6 Practical-9	You are required to calculate the expected return of security 'F' and the market portfolio 'P', the covariance between the market portfolio and security and beta	6.67	
Ch-6 Practical-3	You are required to calculate the <b>portfolio return</b> of the following portfolios of B & D to be considered by A for his investment	6.65	
Ch-6 Practical-13(a)	You are required to calculate: The Betas of the two stocks	6.68	
Ch-6 Practical-41	You are required to compute <b>Reward to Volatility Ratio</b> and rank these portfolio using: <b>Sharpe method &amp; Treynor's method</b>	6.78	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-6 Practical-20	You are required to derive <b>Security Market Line</b> .	6.70	
Ch-6 Practical-4	You are required to determine	6.65	
Ch-6 Practical-10	You are required to determine the beta coefficients of the Shares of Company A and Company B	6.67	
Ch-6 Practical-19	You are required to determine the Standard Deviation of Market Return and Security Return.	6.70	
Ch-6 Practical-11	You are required to determine:	6.67	
Ch-6 Practical-37	You are required to find out the risk of the portfolio if the standard deviation of the market index ( $\sigma_m$ ) is 18%	6.77	
Ch-7 Theory-1	Differentiate between PTS and PTC	7.14	
Ch-7 Theory-2	What are the main problems faced in securitisation especially in Indian context?	7.14	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-8 Practical-17	<b>Calculate annual rate of return to each of the investors.</b>	8.27	
Ch-8 Practical-21	calculate expected NAV after a month for the schemes of both the Mutual Funds.	8.29	
Ch-8 Practical-3	Calculate monthly return	8.22	
Ch-8 Practical-8(i)	Calculate Net Assets Value (NAV) of the Fund	8.23	
Ch-8 Practical-6(i)	Calculate the month end net asset value of the mutual fund scheme	8.23	
Ch-8 Practical-7	Calculate the NAV per unit of the Scheme Rudolf.	8.23	
Ch-8 Practical-14	Calculate the NAVs as on 31.03.2013, 31.03.2014 and 31.03.2015.	8.26	
Ch-8 Practical-9(a)	calculate: (a) NAV of the Fund on 1st April 2009	8.24	
Ch-8 Practical-2	<b>Calculate: (i) Front-end Load (ii) Back end Load</b>	<b>8.22</b>	
Ch-8 Theory-1	Explain how to establish a Mutual Fund	8.22	
Ch-8 Practical-8(iii)	Find new NAV of the Fund as on 2nd February 2012	8.24	
Ch-8 Practical-19	Find out the Net Asset Value (NAV) per unit given that operating expenses paid	8.29	
Ch-8 Practical-5(ii)	Had these distributions been re-invested at an average NAV	8.22	
Ch-8 Practical-12	Help him in finding the date of his original investment after ascertaining the following (i) Number of units in each scheme; (ii) Total NAV; (iii) Total Yield; and (iv) Number of days investment held.	8.25	
Ch-8 Practical-1	How much should the mutual fund earn to provide Mr. A return of 16 per cent	8.22	
Ch-8 Practical-6(ii)	Provide a brief comment on the month end NAV	8.23	
Ch-8 Practical-4(ii)	The return on the investment as on 31st December, 2010 if all dividends and capital gains distributions are reinvested	8.22	
Ch-8 Practical-4(i)	The return on the investment if the NAV as on 31st December, 2010 is 13.00	8.22	
Ch-8 Theory-2	What are the advantages of investing in Mutual Funds?	8.22	
Ch-8 Practical-13	<b>What are the NAVs as on 31.3.2008, 31.3.2009 &amp; 31.3.2010?</b>	8.26	
Ch-8 Practical-15	<b>What difference would it make in terms of return available and which option is preferable?</b>	8.26	
Ch-8 Practical-10	What is the effective yield on per annum basis in respect of each of the three schemes	8.25	
Ch-8 Practical-18	What is the effective yield per annum in respect of the above two plans?	8.28	
Ch-8 Practical-5(i)	What is the <b>fund's return</b> during the year?	8.22	
Ch-8 Practical-16	What was his <b>annual rate of earning</b> ?	8.26	
Ch-8 Practical-9(c)	what will be new NAV	8.24	
Ch-8 Practical-9(b)	what will be position of fund.	8.24	
Ch-8 Practical-8(ii)	what would be the position of the Fund?	8.23	



Ch & Ques	Question	Pg No.	Faculty Ref
Ch-8 Practical-20	You are required to calculate (i) Income available for distribution; (ii) Issue price at the end of April; (iii) repurchase price at the end of May; and (iv) net asset value (NAV) as on 30th June	8.29	
Ch-8 Practical-11	You are required to calculate the effective yield on per annum basis in respect of each	8.25	
Ch-8 Practical-22	You are required to compute the fee payable to CA. X, if return on the fund this year turns out to be	8.30	
Ch-8 Practical-23	<b>You are required to determine the value of the portfolio for each level of NAV following the Constant Ratio Plan.</b>	8.30	
Ch-8 Practical-6	You are required to:	8.23	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-9 Practical-21	Advice her. she wants to know the probability of attaining the share price ` 592 so that buying of a one-month CALL of EIL at the execution price of ` 522 is justified.	9.65	
Ch-9 Practical-20	<b>Ascertain the net payoffs to the option holder of a call option and a put option separately</b>	9.65	
Ch-9 ill-3(i)	Based on the assumption that TIC Ltd. is not going to declare any dividend over the next three months	9.26	
Ch-9 ill-1	calculate the current fair value of a regular call option on CAB Stock	9.22	
Ch-9 Practical-23	calculate the probability of price moving up and down	9.65	
Ch-9 Practical-15	Calculate the profit or loss that Mr. A would make assuming that the market price falls to ` 350	9.64	
Ch-9 ill-3(ii)	Calculate value of aforesaid call option based on <b>Black Scholes valuation model</b>	9.26	
Ch-9 ill-3(iv)	calculate value of the <b>call option.</b>	9.26	
Ch-9 Practical-5	calculate: (i) Price of future contract. (ii) The gain on short futures position if index turns out to be 4,500	9.60	
Ch-9 Practical-11(ii)	calculate: The theoretical value of the NIFTY futures	9.61	
Ch-9 Practical-11(iii)	calculate: The number of contracts of NIFTY the investor needs to sell to get a full hedge	9.61	
Ch-9 Practical-11(iv)	calculate: The number of future contracts the investor should trade if he desires to reduce the beta of his portfolios	9.61	
Ch-9 Practical-18(i)	Compute - (i) Expected Share price at the end of 4 months.	9.64	
Ch-9 Practical-18(ii)	Compute - (ii) Value of Call Option at the end of 4 months, if the exercise price prevails.	9.64	
Ch-9 ill-6	Decide whether MIS Ltd. should accept the project or wait&see.	9.42	
Ch-9 Theory-4	Define the term Greeks with respect to options	9.58	
Ch-9 Practical-19	Determine profit or loss, if the price of Delta Corporation's stock:	9.64	
Ch-9 Practical-16(ii)	Determine the Investor's ending position, if the tie up programme fails and the price of the stocks falls to ` 36 in 3 months	9.64	
Ch-9 Practical-16(i)	Determine the Investor's position if the tie up offer bids the price of ABC Corporation's stock up to ` 43 in 3 months	9.64	
Ch-9 ill-4	Determine the value of the patent.	9.39	
Ch-9 Practical-8	Determine: (i) Current portfolio beta (ii) Portfolio beta after 3 months	9.60	
Ch-9 Practical-6	Develop an arbitrage strategy and show what your riskless profit will be 3 months	9.60	
Ch-9 Practical-23	draw a two-step <b>binomial tree showing prices and payoffs</b> at each node.	9.65	
Ch-9 Practical-4	examine arbitrage opportunities	9.59	
Ch-9 Practical-3	find out the future price of contract deliverable on 31-12-2011	9.59	
Ch-9 Practical-25	Find the value of a call option	9.66	
Ch-9 Practical-7	How many index futures he should short for perfect hedging?	9.60	

Ch & Ques	Question	Pg No.	Faculty Ref
Ch-9 Practical-20	<b>indicate the price range at which the call and the put options may be gainfully exercised.</b>	9.65	
Ch-9 ill-3(i)	is the option worth buying for ` 25	9.26	
Ch-9 Theory-3	State any four assumptions of <b>Black Scholes Model</b> .	9.58	
Ch-9 Practical-21	Sumana wanted to buy shares of EIL which has a range of ` 411 to ` 592 a month later.	9.65	
Ch-9 Practical-13(ii)	the number of NIFTY contracts that he would have to sell if he desires to hedge until June in each of the following cases	9.63	
Ch-9 ill-1	Using the binomial model, calculate the current fair value of a regular call option on CAB Stock	9.22	
Ch-9 Theory-1	What are the reasons for stock index futures becoming more popular financial derivatives over stock futures segment in India?	9.58	
Ch-9 Practical-22(i)	What combination of share and option should Mr. Dayal select if he wants a <b>perfect hedge</b>	9.65	
Ch-9 Practical-22(iii)	What is the <b>expected rate of return</b> on the option?	9.65	
Ch-9 Practical-10	What is the overall profit/loss to Ram	9.60	
Ch-9 Practical-1	What should be the spot price?	9.58	
Ch-9 ill-2	what should be the value of a 3 months Call option under the <b>“Risk Neutral” method</b>	9.24	
Ch-9 Practical-24	what should be the value of a 3 months Call option under the “Risk Neutral” method at the strike rate of	9.65	
Ch-9 Practical-22(ii)	What should be the value of option today	9.65	
Ch-9 Practical-18(iii)	what will be the expected value of the call option?	9.64	
Ch-9 ill-5	what will be value of <b>abandonment option</b> .	9.41	
Ch-9 ill-3(iii)	What would be the worth of put option if current price is considered	9.26	
Ch-9 Practical-9	<b>Which position on the index future gives a speculator, a complete hedge against the following transactions:</b>	9.60	
Ch-9 Theory-2	Write short note on Marking to market.	9.58	
Ch-9 Practical-11(i)	You are required to calculate: (i) The beta of his portfolio.	9.61	
Ch-9 Practical-13(i)	You are required to calculate: (i) the beta of his portfolio. (ii) the theoretical value of the futures	9.63	
Ch-9 Practical-14	You are required to determine the daily balances in the margin account and payment on margin calls	9.64	
Ch-9 Practical-12	You are required to determine: (1) portfolio beta, (2) the value of risk free securities to be acquired, (3) the number of shares of each company to be disposed off, (4) the number of Nifty contracts to be bought/sold; and (5) the value of portfolio beta	9.62	
Ch-9 Practical-17	You are required to find out expected value of option at maturity (i.e. 6 months)	9.64	
Ch-9 Practical-2	you are required: (i) to calculate the theoretical minimum price of a 6-months forward purchase; and (ii) to explain arbitrage opportunity	9.58	
Ch-9 ill-1	You should also indicate the composition of the implied <b>riskless hedge portfolio</b> at the valuation date	9.22	