

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination (Online) – December, 2020

Program: BBA AIS (AIS)
Subject/Course: Personal Financial Planning
Course Code: FINC 3004

Semester: V
Max. Marks: 100
Duration: 3 Hours

IMPORTANT INSTRUCTIONS

The Question Paper shall have **three sections (A, B, C)**

Q.No	Section A (MCQ) 6 Question of 5 Marks each	Marks	
Q.1	Beta, β , of risk-free investment is: a) Zero b) 1 c) -1 d) None of these	5	
Q.2	Return of a portfolio is: a) Total return of all elements b) Average return of all elements c) Highest return d) Lowest return	5	
Q.3	Which of the following is diversifiable risk? a) Inflation risk b) Interest rate risk c) Seasonal risk d) All of the above	5	
Q.4	Standard deviation can be used to measure: a) Risk of an investment b) Return of an investment c) Both (a) and (b) d) None of(a) and (b)	5	

Q.5	<p>Which of the following is true?</p> <p>a) Higher the Beta, lower the risk</p> <p>b) Higher the Beta, higher the risk</p> <p>c) Risk is constant</p> <p>d) Beta is constant</p>	5	
Q.6	<p>In a diversified portfolio, a new security adds:</p> <p>a) Systematic risk</p> <p>b) Unsystematic risk</p> <p>c) Liquidity risk</p> <p>d) None of the above</p>	5	
Section B (scan & upload) 5 Question of 10 Marks each			
Q.7	What is a Mutual Fund? Distinguish between open ended and close ended funds.	10	
Q.8	Define Investment. Explain its objectives.	10	
Q.9	You are the top Financial analyst in your firm, and your boss has turned to you for an answer to difficult question. He wants to know which single indicator for financial planning you think is the best and why you think so. What is your answer? Explain	10	
Q.10	Why ratio analysis is important in financial planning process. Explain in detail with examples.	10	
Q.11	State the economic and financial meaning of investment. In the stock market, can you differentiate the investor from the speculator in times of depression.	10	
Section C (scan & upload) 1 Question of 20 Marks each (Attempt any one)			
Q.12	<p>The relevant details of a company are:</p> <p>Annual turnover Rs.50 Lakhs</p> <p>Operating profit 20%</p> <p>Equity share capital Rs.20 lakhs (FV Rs.100)</p> <p>Capital reserves Rs.5 Lakhs</p> <p>12% preference share capital Rs.20 Lakhs</p> <p>10% Term Loan Rs.10 Lakhs</p> <p>12% Debt Rs.10 Lakhs</p> <p>Tax rate 30%, Dividend payout ratio 50%, P/E=30</p> <p>Find out:</p> <p>(1) EPS</p> <p>(2) DPS</p> <p>(3) MARKET PRICE</p> <p>(4) EARNING YIELS</p> <p>(5) DIVIDEND YIELD</p>	20	

Q.13	(a) What is portfolio ? What steps should an investor take to evaluate a portfolio? (b) What are the recent steps taken by SEBI to protect investor interests in India ?	20	