



Seat No. : _____

DM-108

December-2025

5th Year MBA, Sem.-IX

IAPM (Finance)

Investment Analysis and Portfolio

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Describe the major quantitative criteria and qualitative criteria used for evaluating investments. 7
1. (B) A portfolio manager is analysing Asset R and Asset S under three possible macroeconomic conditions. 7

Scenario	Probability	Return R	Return S
High Inflation	0.30	4%	20%
Stable Economy	0.50	11%	9%
Strong Growth	0.20	18%	25%

Required :

- (a) Compute the variance and standard deviation of Asset R and Asset S.
- (b) Compute the covariance between R and S.
- (c) Calculate the correlation coefficient between the two assets.
2. (A) The stock of Box Limited performs well relative to other stocks during recessionary periods. The stock of Cox Limited does well during growth periods. Both the stocks are currently selling for ₹ 100 per share. You assess the rupee return (dividend plus price) of these stocks for the next year as follows : 10

Economic condition	Probability	Return on Box's stock (₹)	Return on Cox's stock (₹)
High growth	0.3	100	150
Low growth	0.4	110	130
Stagnation	0.2	120	90
Recession	0.1	140	60

Calculate the expected return and standard deviation of investing :

- (a) ₹ 1,000 in the equity stock of Box Limited.
- (b) ₹ 1,000 in the equity stock of Cox Limited.
- (c) ₹ 500 each in the equity stock of Box Limited and Cox Limited.

2. (B) What is beta and how it is measured ? 4

OR

2. (A) Explain the concept of the efficient frontier in Markowitz Portfolio Theory. 4

2. (B) The return on Stock Y is assumed to depend on three macro-economic forces : 10

- (1) Industrial Production,
- (2) Oil Price Movements and
- (3) Exchange Rate Volatility.

The following factor risk premiums are estimated :

- Industrial Production premium = 3.2%
- Oil Price premium = 1.8%
- Exchange Rate premium = 2.5%

Stock Y's factor sensitivities (betas) are :

- $\beta(\text{IP}) = 1.05$
- $\beta(\text{Oil}) = 0.90$
- $\beta(\text{Exchange Rate}) = 0.60$

The risk-free rate is 5.5%.

- (a) Using the APT model, compute the expected return on Stock Y. [3]
- (b) If analysts predict that Stock Y will earn 15%, evaluate whether the stock is mispriced according to APT. Explain the arbitrage strategy an investor should adopt. [3]
- (c) State two reasons why APT is viewed as more flexible and realistic than CAPM. [4]

3. The stock of Blue Star Metals corrected for 10 days and reached a support zone at ₹ 820 – ₹ 830.

On the latest trading day : 14

- A Bullish Engulfing pattern formed
- Volume jumped by 65%
- RSI increased from 32 to 45
- Price is still below the 200-day MA but has crossed above the 20-day MA
- Short-term trend was down, long-term trend is sideways

Questions :

- (a) Explain what the candlestick pattern indicates.
- (b) Do volume and RSI support a reversal ?
- (c) Should a trader take a long position ?

OR

3. India's economy is showing mixed trends : 14
- GDP growth has slowed from 7.2% to 6%
 - Inflation is at 5.8%, leading RBI to raise the repo rate by 50 bps
 - Consumer sentiment has weakened

In the automobile industry, passenger vehicle demand (especially SUVs) is rising, but two-wheeler demand is weak. Input costs like steel and aluminium are increasing, while EV adoption is accelerating due to government incentives.

AR Motors Ltd., a mid-cap automobile manufacturer, has recorded 12% annual revenue growth, but operating margin has fallen from 14% to 11% due to higher input costs. The company has low leverage ($D/E = 0.35$), strong return ratios ($ROE = 15\%$, $ROCE = 17\%$) and positive cash flows. It recently launched an electric SUV with strong bookings.

Questions :

- (a) Briefly analyse how the current economic conditions affect the automobile sector.
 - (b) Identify key opportunities and risks in the automobile industry.
 - (c) Comment on whether AR Motors Ltd. appears fundamentally strong and suitable for investment.
4. You are valuing Varun Beverages Ltd. (VBL), one of PepsiCo's largest bottlers in India, using the Free Cash Flow to Firm (FCFF) valuation model.

Base Year Data (FY2025) 14

- Invested Capital (IC) at start = ₹ 16,500 Cr
- Return on Invested Capital (ROIC) = 17.39% (assumed constant)
- Weighted Average Cost of Capital (WACC) = 10.5%
- Net Debt - ₹ 5,431 Cr
- Shares Outstanding = 64 Cr

Growth & Reinvestment Assumptions

- NOPAT Growth :
 - FY2026-2028: 20% per year (high growth)
 - FY2029-2031: 12% per year (moderate growth)
- Terminal growth rate after 2031: 6%

Questions :

- (a) Using the above assumptions, compute the FCFF for each forecast period and estimate the intrinsic value per share of VBL using the FCFF-WACC method.
- (b) Compare your intrinsic value with the CMP of ₹ 467 and comment whether the stock is undervalued, overvalued, or fairly valued.
- (c) Based on your valuation, state whether you would recommend investing in VBL or not, with reasons.

OR

4. (A) Discuss in detail the various types of risks in bonds, including interest rate risk, credit risk, reinvestment risk, inflation risk, call risk, liquidity risk and sovereign risk. Provide one practical example for each. 7

4. (B) Attempt the following questions : 7

(1) Assume the following spot rates

Year	1	2	3	4	5
Spot rate	7.0%	7.2%	7.3%	7.4%	7.5%

What are the forward rates over each of the following five years ?

(2) The market value of a ₹ 100 par value bond, carrying a coupon rate of 12 percent and maturing after seven years, is ₹ 750. What is the yield to maturity on this bond ?

5. (A) What are the ways in which the past has a bearing on the present decision, actions and beliefs ? 7

5. (B) Briefly compare the advantages and disadvantages of domestic portfolio management and international portfolio management. 7

OR

5. (B) Explain the major contemporary issues in investment analysis in the current scenario. 7

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5th Year MBA, Sem.-IX

Advertising and Sales Promotion

Time : 2:30 Hours]

[Max. Marks : 70

1. Attempt any **Two** : **14**
- (A) Integrated Marketing Communication (IMC) is a strategic approach that integrates various marketing channels to create a consistent brand message. Discuss.
- (B) How can you advertise about your product by considering the 5 M's of advertising. Explain in detail.
- (C) Facilitating institutions are external agencies or organizations that assist advertisers, describe these main facilitating institutions.

2. Organic Glow, a new herbal skincare brand, launched its face serum through a targeted Instagram reel. The vibrant visuals grabbed attention instantly. Viewers then were seen inclined as the reel showed real users demonstrating glowing skin within weeks. Later, Organic Glow shared dermatologist endorsements, limited-time discounts and before-after testimonials. Finally, a clean offer "Tap to Buy Now with 20% Off" – led users to the purchase page. Within two weeks, the campaign saw high engagement and increased conversions, proving how a well-structured an advertising approach can effectively guide customers from awareness to final action. **14**

Attempt the following question :

- (1) Which model of advertising has been applied in above case ? Explain in detail.
- (2) Elaborate any one model of Advertising of your choice with relevant example on any product.

OR

2. (A) Joel Dean has developed Methods of Determining Advertising Budget, explain in detail with example. **7**
2. (B) How does an advertising agency plan an advertising strategy for a company ? **7**
3. David Ogilvy points out some factors which can go into the making of an effective copy. Highlight these factors and also create a copy for the following product : [Any **two**] **14**
- (A) Hand Sanitizer
- (B) Band – Aids
- (C) Smart Watch

4. (A) Preplacement evaluation is a systematic and methodical approach to estimate the possible effect of advertisement before it gets released. Which methods are adopted for preplacement evaluation ? 7
4. (B) Explain the controversial effects of Advertising. Also mention any one example of an Advertisement that created controversy. 7
5. Explain in detail any **two** : 14
- (1) Consumer Promotion Tools
 - (2) Trade Promotion Tools
 - (3) Industrial Advertising Tools
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5th Year MBA, Sem.-IX Compensation Management

Time : 2:30 Hours]

[Max. Marks : 70

1. What is the role of Compensation Management in attracting and retaining talent ? Explain with industry-based examples. 14

2. Explain the importance of Fringe Benefits in organizations. Discuss types, design and strategic significance. 14

OR

2. How does compensation influence Employee Productivity and Performance ? Explain with motivation theories. 14

3. Explain different approaches used for measuring Employee Performance for compensation decisions. 14

OR

3. Discuss ethical issues related to Executive Compensation. Why do disparities between CEO and employee pay occur ? 14

4. Discuss Reward Management Strategies. How can organizations create a culture of high performance through rewards ? 14

OR

4. Describe the steps involved in designing a Sales Compensation Plan. Explain components such as commission, quota, incentives, etc. 14

5. Discuss the objectives and features of the EPF (Employees' Provident Fund) Scheme. Explain administrative structure and benefits. 14

OR

5. Discuss the importance of Gratuity as a social security benefit. Explain procedures, legal compliance and recent changes. 14
