

**LD-133**

April-2014

**Fifth Year M.B.A. (K.S.) (Integrated)****Investment Management (Finance)**

Time : 3 Hours]

[Max. Marks : 70

1. (a) 'The investment process involves a series of activities starting from the policy formulation'. Discuss. **9**
- (b) What is meant by warrant ? How do warrants differ from share certificates ? **5**

**OR**

What is meant by systematic risk and unsystematic risk ? Define 'Beta' of a stock and calculate the 'Beta' of stock A from the following data and interpret it. **14**

| Period | Return from Stock 'A' (%) | Return given by market Portfolio (%) | Period | Return from Stock 'A' (%) | Return given by market Portfolio (%) |
|--------|---------------------------|--------------------------------------|--------|---------------------------|--------------------------------------|
| 1      | 12                        | 15                                   | 6      | 8                         | 9                                    |
| 2      | 11                        | 13                                   | 7      | 3                         | 5                                    |
| 3      | 13                        | 17                                   | 8      | 7                         | 9                                    |
| 4      | 9                         | 11                                   | 9      | 5                         | 6                                    |
| 5      | 10                        | 14                                   | 10     | 6                         | 7                                    |

2. (a) Describe Markowitz efficient frontier and explain how it dominates the portfolios that lie below it. **7**
- (b) Define Capital Asset Pricing Model (CAPM). State its assumptions. Also explain the method of pricing securities using CAPM. **7**

**OR**

A portfolio has 6 securities. The table below shows the weights of the securities in the portfolio. The alpha and beta coefficient of the securities and the residual variance of the securities are given below. If the market return is 20% and the variance of the market return is 280, calculate the expected portfolio return and the portfolio variance using Sharpe's single index model. **14**

| Security | Weight (W <sub>i</sub> ) | Alpha (α) | Beta (β) | Residual variance (σ <sup>2</sup> <sub>ei</sub> ) |
|----------|--------------------------|-----------|----------|---|
| A        | 0.30                     | 3.00      | 1.90     | 260   |
| B        | 0.15                     | 2.00      | 1.10     | 320   |
| C        | 0.05                     | 1.00      | 0.90     | 340   |
| D        | 0.20                     | 1.25      | 1.20     | 420   |
| E        | 0.10                     | 0.50      | 0.80     | 290   |
| F        | 0.20                     | 1.10      | 1.30     | 210   |

3. (a) Current market price of the shares of Hallmark is ₹ 180 and a call option with exercise price of ₹ 210 with six months to expiration is available. It is expected that the spot price of this share at the end of six months from now might increase by 50% or it might decline by 30% of the current spot price. If the risk free rate of interest is 9% p.a., find out price of call option. **4**

**OR**

- (a) 'Both forward and futures provide an opportunity for speculation and hedging the risk. Yet to some extent these are different from each other.' – Explain. **4**
- (b) Spot price of MTI is ₹ 200 and call options on this are available with an exercise price of ₹ 210, ₹ 230 and ₹ 250 each. The expiry for each of the options is same. The premium for these three is ₹ 14, ₹ 9 and ₹ 7 respectively. All the options are of European style. An investor expects that there is most likely a change of spot price moving to the level of ₹ 230 and there is very little chance that the spot price will move beyond ₹ 230. Suggest which strategy should be created by this investor so as to have low cost and limited gain. Also show the outcome if the spot price on expiry happens to be in the range of ₹ 200 to ₹ 260 with a tick size of ₹ 10. **10**
4. Answer any **two** from a, b and c. **14**
- (a) Explain the importance of economic analysis and discuss the economic factors considered for this analysis.
- (b) 'Industry life cycle shows the status of the industry and gives clues as to entry and exit for investors.' Elucidate.
- (c) What are the methods adopted to analyze the financial statements of a company? Explain any one in detail.
5. 'Chart patterns are helpful in predicting the stock price movement.' Explain the statement by discussing various chart patterns and their indications. **14**

**OR**

Explain in detail EMA, RSI, ROC and MACD in context of technical analysis. **14**

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## LD-133

April-2014

### Fifth Year M.B.A. (K.S.) (Integrated) International Marketing (Marketing)

Time : 3 Hours]

[Max. Marks : 70

1. (a) Are Domestic marketing and International marketing different only in scope but not in nature ? 4
- OR**
- Discuss the various levels of economic co-operation.
- (b) Discuss various types of political links with a marketer. Focus how these political links can be minimized. 4
- OR**
- Define and distinguish between patent, trademark, copy right and trade secret.
- (c) Explain how meaning of time, space agreement / disagreement and friendship vary from one culture to another. Also discuss their business implications. 6
2. (a) As a researcher you have been asked to do marketing research in order to make recommendations on how to market coffee in a number of Asian, European and South American cultures. Discuss the reliability and validity problems in conducting transnational companies in study with use of a standardized questionnaire. 8
- (b) Explain any three entry strategies in detail. 6
- (1) Licensing
- (2) Management Conflict
- (3) Assembly Operations
- (4) Turnkey Operations
3. (a) A domestic firm penetrating into foreign market with Export House in Mumbai also starts with foreign direct investment in different countries. Explain how the company starts with export procedure and documentations with relevant examples. 7
- (b) Explain in detail determinants of export and import with relevant example. 7
4. (a) Explain in detail product and pricing strategies in international market with relevant examples. 7
- (b) Explain types of intermediaries in International market with relevant examples. 7
- OR**
- (b) Explain in detail promotional strategies in International market.
5. (a) What are the steps in developing International and Global strategies ? Explain in detail with relevant examples. 7
- (b) Distinguish between strategy and structure. What are the typical structures that company organizes in international activities ? 7
- OR**
- (b) What is strategic alliance ? What is global strategic alliance ? What are the categories of global strategic alliances ? Explain in detail challenges in implementing global alliance with relevant examples.

Seat No. : \_\_\_\_\_

**LD-133**

**April-2014**

**Fifth Year M.B.A. (K.S.) (Integrated)**

**Labour Welfare and Strategic Human Resource Management (HR)**

**Time : 3 Hours]**

**[Max. Marks : 70**

**Instruction :** Be neat and Legible.

1. Define SHRM. What is the strategic role of SHRM ? Explain the process of SHRM. **14**
2. What are the different approaches of strategic human resource management ? Discuss the criteria for effective HR strategy. **14**

**OR**

What is Organizational culture ? Write the relationship between cultural analysis, cultural issues and cultural traps.

3. Explain any **two** : **14**
  - (a) Role of HR in creating employee relation.
  - (b) Principles for change Management.
  - (c) Role of labour welfare facilities in building Employee relation.
4. State the sources of Recruitment. Write the importance of recruitment and explain precisely the process of recruitment. **14**

**OR**

What is Employee Retention strategy ? What should an organization do, so as to hold on the talent ? Explain the role of Manager in Employee retention strategy.

5. Attempt any **two** :
  - (a) Explain the reasons of Employee separations. **7**
  - (b) Explain the concept of training and discuss briefly 'ON THE JOB TRAINING' methods. **7**
  - (c) What is performance appraisal ? Write the process of performance appraisal. **7**