IV Semester M.B.A. (FE) Examination, June/July 2010
DYNAMIC ASSET MANAGEMENT (OS)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer the following. **Each** question carries **2** marks : **(2×5=10)**

1. a) What is side pockets ?

   b) Define hedge fund.

   c) What is arbitrate betting ?

   d) Define efficient market.

   e) What do you mean by buy back of share ?

SECTION – B

Answer **any five** questions. **Each** carries **seven** marks. **(5×7=35)**

2. What is life cycle inventory ?

3. Write a note on forward rate agreement.

4. Explain discounted cash flow method of business valuation.

5. Explain the importance of stock market.

6. Explain various levels of market efficiencies.

7. Define and explain the structure of hedge funds.

8. Explain different types of asset classes.

P.T.O.

SECTION – C

Answer **any two** questions. **Each** carries **10** marks : **(2×10=20)**

9. Explain various types of Government securities.

10. Explain the valuation of convertible debentures.

11. Differentiate between exchange trade and DTC trade derivatives.

12. Explain briefly working capital cycle.

SECTION – D

Answer **any one**, carrying **fifteen** marks : **(1×15=15)**

13. S = 44, E = 48, r = 0.10 / year T = 3 months, σ = 5% / year. Calculate the call and put price using B-S model.

14. Illustrate and explain interest rate swap.

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IV Semester M.B.A. (FE) Examination, June/July 2010
BEHAVIOURAL FINANCE (Old)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer the following. **Each** question carries **two** marks : **(2×5=10)**

1. a) What is present value ?

   b) Define Mutual fund.

   c) What is CAPM ?

   d) Define cost of equity.

   e) What is portfolio choice ?

SECTION – B

Answer **any five** questions. **Each** question carries **seven** marks : **(5×7=35)**

2. Explain the perfect segmentation in the case of information cost.
3. Describe that endowments can never be a dull moment.
4. Explain the idea of efficient markets.
5. Explain the evidence of continuation and reversals.
6. Explain noise trading and asset market behaviour.
7. Explain the important methods of stock valuation.
8. Explain the processing pricing mortgage based securities.

P.T.O.

SECTION – C

Answer **any two** questions. **Each** question carries **ten** marks : **(2×10=20)**

9. Explain the concept of PVGO with illustration.

10. Describe mortgage backed securities with no prepayment risk.

11. Define model mis-specification and robustness checks.

12. Explain full autocorrelation.

SECTION – D

Answer **any one** question carrying **fifteen** marks : **(15×1=15)**

13. Compare and contrast EMH with behavioural finance.

14. Compare and contrast CAPM and Arbitrage Pricing theory.

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IV Semester M.B.A. (FE) Examination, June/July 2010
FINANCIAL ENGINEERING (OS)

Time : 3 Hours Max. Marks : 80

SECTION – A

Answer **a11** questions. **Each** carries **two** marks : **(2×5=10)**

1. a) What is the expected value ?

   b) What is short selling ?

   c) Define hedge.

   d) What do you understand by open Interest ?

   e) What is CML ?

SECTION – B

Answer **any five** questions. **Each** carries **7** marks. **(5×7=35)**

2. Explain the approaches to scensity valuation.
3. Write a note on probability forecasting.
4. Explain why derivative market exist.
5. Who are the participants in derivative market ?
6. Explain the importance of Expectations.
7. Discuss the implication of individual risky assets.
8. Write a note on the replication of a forward loan.

P.T.O.

SECTION – C **(2×10=20)**

Answer **any two** questions. **Each** carries **10** marks.

9. Explain Arbitrage portfolios.

10. Explain term structure dynamics.

11. Discuss Reepo market strategies.

12. Explain forward contracts and currency forwards.

SECTION – D

Answer **any one** carrying **fifteen** marks. **(1×15=15)**

13. Illustrate and explain expected and promised yield to maturity.

14. Explain pricing the swap.

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