

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: DECEMBER - 2025
SEMESTER - III

Sub.: Security Analysis & Portfolio Management (MFM305 / MBA24-FM304)

Date : 27/12/2025

Total Marks : 60

Time: 2.00 pm to 4.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

- Q. 1. Write Short notes on (Any Three) (15)**
1. Explain the advantages enjoyed by Preference Shareholders over Equity Shareholders.
 2. Discuss the role of Capital Markets.
 3. Explain the features of Deposits having Fixed Interest Rates, as an investment alternative.
 4. Discuss the role of RBI and SEBI as regulators.
- Q. 2. Answer in detail (Any One) (10)**
1. Explain the difference between genuine investment and speculative investment.
 2. Discuss the meaning of the term Portfolio Management.
- Q. 3. Answer in detail (Any One) (10)**
1. Discuss the concept of Dematerialization of Shares.
 2. Explain the meaning of the term Beta and how it is used to manage Risk in Equity Investment.
- Q. 4. Answer in detail (Any One) (10)**
1. Elaborate the rights of Equity Shareholders.
 2. Explain the meaning of Over the Counter Exchange of India (OTCEI).
- Q. 5. Amar Ltd. is a reputed and long-established company operating in the construction industry. In order to strengthen its operational capacity and undertake larger projects, the company plans to purchase a JCB machine. After evaluating various financing options, the management decided to raise funds through the issue of bonds, as this would enable the company to secure fixed-interest funding and avoid future uncertainty arising from fluctuating interest rates. (15)**

However, at the time of the proposed bond issue, market interest rates were relatively high. To ensure that the bond issue remained attractive to potential investors and to successfully raise the required capital, Amar Ltd. decided to issue the bonds at a discount. By offering the bonds below their face value, the company aimed to compensate investors for the lower fixed interest rate attached to the bonds. This strategy allowed Amar Ltd. to meet its financing needs efficiently while also providing investors with an opportunity to earn a reasonable return on their investment.

You are required to find the following for the Bonds financing option:

- 1) If the Bond having Face Value of < 1000/- is issued at 7.5% Discount, but redeemed after 10 years at a premium of 20%.
- 2) Find the Return on Investment in Bonds to the investor, if the interest rate on Bond is 8% p.a.