

UNIT-II

11. What is Fundamental Analysis all about? How the various environment factors influence the investment valuation?
12. What is the concept of intrinsic value? Explain the process of conducting Industry analysis and Company Analysis.

UNIT-III

13. What is portfolio Analysis? What are the effects of combining securities in portfolio analysis?
14. What is Dow Theory all about? Critically appraise the Dow Theory.

UNIT-IV

15. What is the rationale behind Capital Asset pricing Model (CAPM)? What are the basic assumptions of CAPM? Why in the perfect world of the CAPM, the financing decision and investment decision are separate?
16. What do you understand by a derivative contract? What are its different types? Explain with examples.

SECTION-C

17. Case Study :

Kapil Shah (Kapil) had started investing in the share market in his mid-twenties and had seen some ups and downs over a decade. Kapil then decided to overhaul all his existing stock positions on the increasing prospects of the Narendra Modi led National Democratic Alliance coming to power in India in May 2014. On the election results day - May 16, 2014 - he bought ten stocks to ride the possible development wave agenda of the new government. However, by the end of February 12, 2016, his portfolio had generated a return of only 1.96%. Things became tough for Kapil as repayment for a loan fell due on August 22, 2016. Kapil wanted someone's help to ensure he generated good returns from his portfolio so that he could repay the loan by liquidating a part or even his complete stock portfolio. For this, he contacted Dhaval P Vyas Investment Research, one of the leading financial consultancy firms in India. Based on Kapil's profile, Dhaval P Vyas suggested that Kapil drop six underperforming stocks and purchase six stocks which he expected would perform better in the future.

Question :

What should Kapil do now?

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