

Q.P. Code :00518

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

N.B:

1. ALL QUESTIONS ARE COMPULSORY, SUBJECT TO INTERNAL CHOICE.
2. FIGURES TO THE RIGHT INDICATE FULL MARKS.

- Q 1 A) Multiple Choice Question. (Attempt any 8) (08)
- 1) A _____ is an acquisition of an existing public or private company by using borrowed money to meet the cost of acquisition. (LBO, Takeovers, Mergers & Acquisitions)
 - 2) Structured Products have _____ maturity. (Fixed, Uncertain, No)
 - 3) _____ finance is an unsecured form of financing that is principally a loan. (Senior loans, Mezzanine fund, Private Equity)
 - 4) _____ funds are private investment vehicles that pool the resources of sophisticated investors. (Hedge, Equity, Debt)
 - 5) A strategic assets allocation specifies the _____ of various assets class in a portfolio. (Evaluation, Proportion, Requirement)
 - 6) _____ is a loan that is secured by lien on the property. (Mezzanine Debt, Venture Capital, Distressed Debt)
 - 7) _____ is a legal term that encompasses land along with anything affixed to it. (REIT's, Real Estate, Mortgage)
 - 8) _____ refers to the uncertainty of future outcome of a current decision. (Shares, Risk, Index)
 - 9) The Return earned by capitalizing on security mispricing known as _____ . (Beta, Alpha, Expected Returns)
 - 10) _____ funds are generally organized as either a limited partnership or limited liability. (Preferred equity, Private equity, Venture Capital)

- Q.1 B) Match the Column. (Attempt any 7) (07)

A		B	
1	Traditional Investments	A	Investment in Growth Oriented Business
2	Alternative Investments	B	Beta
3	Modern portfolio theory	C	Alpha
4	Superior Risk adjusted return	D	Equity Shares, Debentures, Bank Deposits
5	Hedge Funds	E	Diversification
6	Systematic Risk	F	Agricultural & Metal Products
7	Standard Deviation	G	Measure of unsystematic risk
8	Bankruptcy Solution	H	Minimization of Risk
9	Commodities	I	Distressed debt
10	Venture Capital	J	Real Estate & Commodities

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- Q.2 A) Discuss in brief various Forms of Real Estate Investment. (07)
 B) Discuss the Investment & Business Aspects of Alternative Investments. (08)
- OR**
- P) Explain the term Alternative Investment and its Characteristics. (07)
 Q) What do you mean by Real estate Investment? Discuss (08)
- Q.3 A) Explain the process of Venture Capital Investment along with its importance. (08)
 B) What are the Characteristics of good Leverage Buyout? (07)
- OR**
- P) Discuss the concept of Managed Futures along with its Characteristics. (07)
 Q) Discuss the Commodities as an option for Investment in India. (08)
- Q.4 A) Elaborate the strategies used in Hedge Fund Financing. (07)
 B) What is Funds of Funds? Explain its distinctive Features and Advantages to Investors. (08)
- OR**
- P) What are the issues & challenges Private Equity is facing today? (08)
 Q) Discuss the different types of Mezzanine financing in brief. (07)
- Q.5 A) Discuss in detail Types & Characteristics of Structured Product. (08)
 B) Explain the process of Due Diligence of Fund Manager in detail. (07)
- OR**
- P) From the following information, Calculate Expected Rate of Return & Standard Deviation for securities. (08)

Economic Condition	Probability	Returns for Security A (in %)	Return for Security B (in %)
Boom	0.1	5	0
Normal	0.3	10	8
Recession	0.5	15	18
Stagnation	0.1	20	26

- Q.5 Q) From the following Information, Calculate beta for Security. (07)

Year	Returns for Security A (in %)	Returns for Security B (in %)	Returns for Market (in %)
2006	6	12	11
2007	11	13	14
2008	12	12	12
2009	11	11	11