

Roll No.

Question Booklet Number

O. M. R. Serial No.

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607938

B. B. A. (Fourth Semester) (NEP)

EXAMINATION, 2022-23

**F010403T-A : INVESTMENT ANALYSIS &
PORTFOLIO MANAGEMENT**

F010403T-B : COMPANY LAW

Paper Code

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Questions Booklet
Series

B

Time : 1:30 Hours]

[Maximum Marks : 75

Instructions to the Examinee :

1. Do not open the booklet unless you are asked to do so.
2. The booklet contains 100 questions. Examinee is required to answer 75 questions in the OMR Answer-Sheet provided and not in the question booklet. Booklet is in two Sections : Section-A (1-50) & Section-B (51-100). Candidate should select 37 or 38 questions respectively from both sections. All questions carry equal marks.
3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.

परीक्षार्थियों के लिए निर्देश :

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को 75 प्रश्नों को केवल दी गई OMR आन्तर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। प्रश्न-पुस्तिका दो खण्डों—खण्ड-A (1-50) तथा खण्ड-B (51-100) में है। परीक्षार्थी को प्रत्येक भाग से क्रमशः 37 या 38 प्रश्न करने हैं। सभी प्रश्नों के अंक समान हैं।
3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्तर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, तो उसे तुरन्त बदल लें।

(Remaining instructions on the last page)

(शेष निर्देश अन्तिम पृष्ठ पर)

(Only for Rough Work)

Section—A
(Investment Analysis & Portfolio Management)

1. Which one of the following is not a money market securities ?
 - (A) Treasury bills
 - (B) National savings certificate
 - (C) Certificate of deposit
 - (D) Commercial paper
2. Commercial papers are
 - (A) unsecured promissory notes
 - (B) secured promissory notes
 - (C) sold at a premium
 - (D) issued for a period of 1 to 2 years
3. The underwriter has to take up
 - (A) the fixed portions of the issue capital
 - (B) the agreed portion of the unsubscribed part
 - (C) the agreed portion or can refuse if
 - (D) the unfixed portions of the issue capital
4. are financial assets.
 - (A) Bonds
 - (B) Machines
 - (C) Stocks
 - (D) Both (A) and (C)
5. Most investors are risk-averse which means
 - (A) they will assume more risk only if they are compensated by higher expected return.
 - (B) they will always invest in the investment with the highest possible risk.
 - (C) they will always invest in the investment with the lowest possible risk.
 - (D) they avoid the stock market due to the high degree of risk.
6. Treasury bills are traded in the
 - (A) money market
 - (B) capital market
 - (C) government market
 - (D) regulated market
7. Which of the following would not be considered as capital market security ?
 - (A) A corporate bond
 - (B) A common stock
 - (C) A 6-month treasury bill
 - (D) A mutual fund share

8. If a preferred stock issue is cumulative, this means
- (A) dividends are paid at the end of the year.
 - (B) dividends is legally binding on the corporation.
 - (C) unpaid dividends will be paid in the future.
 - (D) unpaid dividends are never repaid.
9. The is a window through which the investor can see the company.
- (A) Syndicate offer
 - (B) IPO
 - (C) Prospectus
 - (D) Shelf rule
10. A computerized trading network that matches buy and sell orders electronically entered by customers is a
- (A) national markets system
 - (B) electronic communications networks
 - (C) internet investment service
 - (D) global investment network
11. The return component that gives periodic cash flows to the investor is known as the
- (A) capital gain
 - (B) interest rate
 - (C) yield
 - (D) unrealized gain
12. Financial risk is most associated with
- (A) the use of equity financing by corporations
 - (B) the use of debt financing by corporations
 - (C) equity investments held by corporations
 - (D) debt investments held by corporations
13. Which of the following is not related to overall market variability ?
- (A) Financial risk
 - (B) Interest rate risk
 - (C) Purchasing power risk
 - (D) Market risk
14. Total return as defined is
- (A) the difference between the sale price and the purchase price of an investment.
 - (B) measured by dividing the sum of all cash flows received by the amount invested.
 - (C) the reciprocal of a return relative.
 - (D) measured by dividing all cash flows received by its selling price.

15. is concerned with the interrelationships between security returns.
- (A) Random diversification.
 - (B) Correlating diversification.
 - (C) Friedman diversification.
 - (D) Markowitz diversification.
16. Portfolio weights are found by
- (A) dividing the standard deviation by expected value.
 - (B) calculating the percentage each asset is to the total portfolio value.
 - (C) calculating the return of each asset to total portfolio return.
 - (D) dividing expected value by the standard deviation.
17. In order to determine the expected return of a portfolio, all of the following must be known except
- (A) probabilities of expected returns of individual assets.
 - (B) weight of each individual asset to total portfolio value.
 - (C) expected return of each individual asset.
 - (D) All of the above must be known in order to determine the expected return of a portfolio.
18. Which of the following is true regarding the expected return of a portfolio :
- (A) It is a weighted average only for stock portfolios
 - (B) It can only be positive
 - (C) It can never be above the highest individual return
 - (D) All of the above are true
19. Company-specific risk is also known as
- (A) market risk
 - (B) systematic risk
 - (C) diversifiable risk
 - (D) idiosyncratic risk
20. Which of the following portfolios has the least reduction of risk ?
- (A) A portfolio with securities all having a positive correlation with each other.
 - (B) A portfolio with securities all has zero correlation with each other.
 - (C) A portfolio with securities all having negative correlation with each other.
 - (D) A portfolio with securities all has skewed correlation with each other.

21. Portfolio risk is best measured by the
 (A) expected value
 (B) portfolio beta
 (C) weighted average of individual risk
 (D) standard deviation
22. Markowitz's main contribution to portfolio theory is
 (A) that risk is the same for each type of financial asset.
 (B) that risk is a function of credit, liquidity and market factors.
 (C) risk is not quantifiable.
 (D) insight about the relative importance of variances and covariances, in determining portfolio risk.
23. Owning two securities instead of one will not reduce the risk taken by an investor if the two securities are
 (A) perfectly positively correlated with each other
 (B) perfectly independent of each other
 (C) perfectly negatively correlated with each other
 (D) of the same category, e.g. blue chips
24. According to Markowitz, rational investors will seek efficient portfolios because these portfolios are optimal based on
 (A) expected return
 (B) risk
 (C) expected return and risk
 (D) transactions costs
25. The Markowitz model assumes most investors are
 (A) risk averse
 (B) risk neutral
 (C) risk seekers
 (D) risk moderators
26. According to Markowitz, an efficient portfolio is one that has the
 (A) largest expected return for the smallest level of risk
 (B) largest expected return and zero risk
 (C) largest expected return for a given level of risk
 (D) smallest level of risk
27. Portfolios lying on the upper right portion of the efficient frontier are likely to be chosen by
 (A) aggressive investors
 (B) conservative investors
 (C) risk-averse investors
 (D) defensive investors

28. The optimal portfolio is the efficient portfolio with the
- (A) lowest risk
 - (B) highest risk
 - (C) highest utility
 - (D) least investment
29. Market risk is best measured by the
- (A) alpha
 - (B) beta
 - (C) standard deviation
 - (D) coefficient of variation
30. Book value is
- (A) the same as market value.
 - (B) a more accurate valuation technique than the dividend models.
 - (C) the accounting value of the firm as reflected in the financial statements.
 - (D) the same as liquidation value.
31. If a market is inefficient, as new information is received about a security
- (A) nothing will happen.
 - (B) the stock price will fall at first and then later rise.
 - (C) there will be a lag in the adjustment of the stock price.
 - (D) there will be negative demand for the stock.
32. Weak form market efficiency
- (A) implies that the expected return on any security is zero
 - (B) incorporates semi-strong form efficiency
 - (C) involves price and volume information
 - (D) is compatible with technical analysis
33. The highest level of market efficiency is
- (A) weak form efficiency.
 - (B) semi-strong form efficiency.
 - (C) random walk efficiency.
 - (D) strong form efficiency.
34. The weak form of the EMIH is supported if successive price changes over time are
- (A) independent of each other
 - (B) negative
 - (C) positive
 - (D) lagged
35. The random walk hypothesis is most related to the
- (A) weak-form EMH
 - (B) semi strong-form EMH
 - (C) semi weak-form EMH
 - (D) strong-form EMH

36. Which one of the following is shown first when the assets are arranged in the order of their liquidity ?
- (A) Investment
 - (B) Cash in hand
 - (C) Debtors
 - (D) None of the above
37. An investor invests in assets known as
- (A) Securities
 - (B) Block of Assets
 - (C) Portfolio
 - (D) None of the above
38. Employment of funds with the aim of achieving additional income is known as
- (A) Investment
 - (B) Speculation
 - (C) Gambling
 - (D) Biting
39. is based on tips, rumors and hunches, unplanned and without knowledge of the exact nature of risk.
- (A) Investment
 - (B) Speculation
 - (C) Gambling
 - (D) Arbitrage
40. Buying low and selling high, making a large capital gain is associated with
- (A) Investment
 - (B) Speculation
 - (C) Gambling
 - (D) Arbitrage
41. Rising of prices and falling of standard of living is arises at the time of
- (A) Inflation
 - (B) Boom period
 - (C) Normal period
 - (D) Deflation
42. Risks cover the risk of market, interest rate risk and purchasing power risk.
- (A) Systematic
 - (B) Unsystematic risk
 - (C) Financial
 - (D) Business
43. Risk due to internal environment of a firm or those affecting particular industry are referred to as
- (A) Unsystematic risk
 - (B) Systematic risk
 - (C) Normal risk
 - (D) Abnormal risk

44. Analysis refers the study of the variables that influence the future of a firm both qualitatively and quantitatively.
- (A) Company
 - (B) Industry
 - (C) Technical
 - (D) Economic
45. Technical analysis is useful
- (A) To find out the market forces influencing stock market
 - (B) To indicate the direction of the overall market
 - (C) To analyze the economic activity of government.
 - (D) None of the above
46. Which type of market efficiency declares that current security prices totally reflect all information, equally public and private ?
- (A) Weak
 - (B) Semi-strong
 - (C) Strong
 - (D) None of these
47. The main objective of portfolio is to reduce by diversification.
- (A) Return
 - (B) Risk
 - (C) Uncertainty
 - (D) Percentage
48. A combination of various investment products like bonds, shares, securities, mutual funds and so on is called as
- (A) Portfolio
 - (B) Investment
 - (C) Speculation
 - (D) Gambling
49. Investment is the
- (A) net additions made to the nations capital stocks
 - (B) persons commitment to buy a flat or house
 - (C) employment of funds on assets to earn returns
 - (D) employment of funds on goods and services that are used in production process
50. Speculator is a person
- (A) who evaluates the performance of the company
 - (B) who uses his own funds only
 - (C) who is willing to take high risk for high returns
 - (D) who considers here says and market behaviours

Section—B
(Company Law)

51. capital means the sum mentioned in the capital clause of Memorandum of Association.
- (A) Full capital
 - (B) Maximum capital
 - (C) Share capital
 - (D) Nominal Capital
52. Par value of shares means the value of the shares.
- (A) Actual
 - (B) Face
 - (C) Market
 - (D) Dividend
53. The dividend payable to..... shareholders is payable on fixed figure or percent.
- (A) Equity
 - (B) Non preference
 - (C) Preference
 - (D) All of the above
54. Share capital has priority both in repayment of dividend as well as capital.
- (A) Equity
 - (B) Non-preference
 - (C) Preference
 - (D) All of the above
55. means the total amount of called up share capital which is actually paid to the company by the members.
- (A) Nominal capital
 - (B) Reserve capital
 - (C) Called up capital
 - (D) Paid-up capital
56. means the total amount of called up capital on the shares issued and subscribed by the shareholders on capital account.
- (A) Called-up capital
 - (B) Subscribed capital
 - (C) Nominal capital
 - (D) Paid-up capital
57. For example Par value is ₹ 10 and it is issued at ₹ 15 then ₹ 5 is the amount.
- (A) Profit
 - (B) Market value
 - (C) Dividend
 - (D) Premium
58. Powers, rights, remuneration, qualification and duties of directors are discussed clearly in :
- (A) Memorandum of Association
 - (B) Articles of Association
 - (C) Prospectus
 - (D) None of the above

59. A company is known as the company of another company if it has control over that other company.
- (A) subsidiary
 - (B) holding
 - (C) controlling
 - (D) statutory
60. A person cannot hold directorship in more than public companies.
- (A) 3
 - (B) 10
 - (C) 20
 - (D) 70
61. The company needs to obtain prior permission from central government when it changes the address of its registered office from :
- (A) one city to another city
 - (B) within the same city
 - (C) one state to another
 - (D) one country to another country
62. A company is incorporated in India, but all its members are the Americans. Such company is :
- (A) An Indian company
 - (B) An American company
 - (C) An illegal association
 - (D) A government company
63. How many fundamental clauses are contained in the Memorandum of a company ?
- (A) 4
 - (B) 5
 - (C) 6
 - (D) 7A
64. Which of the following is called the charter of a company ?
- (A) Prospectus
 - (B) Articles of Association
 - (C) Memorandum
 - (D) Certificate of Incorporation
65. Which of the following documents contains bye-laws that govern the internal management of a company :
- (A) Memorandum
 - (B) Articles
 - (C) Prospectus
 - (D) All of the above
66. Memorandum and Articles of a company are :
- (A) Private documents
 - (B) Public documents
 - (C) Government documents
 - (D) All of the above

67. Acts done by a company 'beyond its powers' are termed ?
 (A) intra vires
 (B) illegal
 (C) ultra vires
 (D) none of the above
68. The benefit of the Doctrine of Indoor Management is available only to the :
 (A) Directors
 (B) Shareholders
 (C) Officers of the company
 (D) Outsiders
69. A company is known as the company of another company if it has control over that other company.
 (A) subsidiary
 (B) holding
 (C) controlling
 (D) statutory
70. A person cannot hold directorship in more than public companies.
 (A) 3
 (B) 10
 (C) 20
 (D) 7
71. Private company prohibits any invitation or acceptance of deposits from persons other than its
 (A) members
 (B) directors
 (C) partners
 (D) banks
72. The company needs to obtain prior permission from central government when it changes the address of its registered office from :
 (A) one city to another city
 (B) within the same city
 (C) one state to another
 (D) one country to another country
73. Registration of Articles of Association is compulsory for which of the following companies :
 (A) Unlimited companies
 (B) Companies limited by guarantee
 (C) Private companies limited by shares
 (D) All of the above
74. Which of the following is the necessary condition in case of the Articles of a company ?
 (A) Be printed
 (B) Be divided into paragraphs numbered consecutively
 (C) Be signed by each subscriber of the Memorandum
 (D) All of the above
75. As per Section 2(84) Share means share in the share capital of a Company and includes
 (A) Debentures
 (B) Preference Shares
 (C) Stocks
 (D) Bonds
76. A company which has a paid-up share capital of 5 crores or more shall have a whole-time
 (A) CEO
 (B) Managing Director
 (C) Manager
 (D) Company Secretary

77. Section 43 provides for
 (A) Issue of shares at Premium
 (B) Kinds of Shares
 (C) Buy Back of Shares
 (D) Reduction in Share Capital
78. Notice of right offer shall be dispatched to all the shareholders at least days before opening of the offer.
 (A) 2
 (B) 5
 (C) 10
 (D) 3
79. A Company may issue equity shares with differential rights upon expiry of years from the end of the financial year in which such default was made good.
 (A) 7
 (B) 2
 (C) 5
 (D) 3
80. The section 71 of the Companies Act, 2013 prohibits issue of debentures carrying :
 (A) Differential voting rights
 (B) Voting rights
 (C) Both (A) and (B)
 (D) None of the above
81. Sweat Equity share means equity shares issued by a company to its directors or employee :
 (A) At a discount
 (B) For consideration, other than cash, for providing their know-how.
 (C) For making available rights in the nature of intellectual property rights or value addition.
 (D) All of the above
82. Securities Premium cannot be utilized towards :
 (A) Reduction in Share Capital
 (B) Buy Back of Shares
 (C) Issuing fully paid up Bonus Shares
 (D) Writing off the expenses or commission paid
83. Every share certificate shall be in :
 (A) Form no SH 4
 (B) Form no SH 3
 (C) Form no SH 2
 (D) Form no SH 1
84. Form SH-9 provides for
 (A) Declaration of Solvency
 (B) Return of Buy Back
 (C) Letter of Buy Back
 (D) Registration of Buy Back
85. The detail with respect to issue to DVR shares shall be provided by company in its
 (A) Board Report
 (B) Annual Return
 (C) Internal Audit Report
 (D) Annual Report
86. In case of Redemption of Preference shares, the Company is required to submit SH-7 to ROC in
 (A) 7 days
 (B) 14 days
 (C) 30 days
 (D) 60 days

87. The securities premium account may not be applied for which of the following ?

- (A) Towards the issue of unissued shares of the company to the members of the company partly paid bonus shares.
- (B) Towards the issue of unissued shares of the company to the members of the company fully paid bonus shares.
- (C) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company.
- (D) For the purchase of its own shares or other securities under section 68.

88. Preferential Allotment of shares can be made by Company if authorized by of members.

- (A) Unanimous Resolution
- (B) Super majority
- (C) Ordinary Resolution
- (D) Special Resolution

89. A company prefer to raise more debt capital rather than equity :

- (A) To maximize liquidity
- (B) To maximize its profit
- (C) To minimize its tax expenses
- (D) To minimize interest expenses

90. "Men may come and men may go but the company exist"—this explains which characteristics of the company as per companies Act 1956 ?

- (A) Separate legal entity
- (B) Perpetual succession
- (C) Capacity to sue
- (D) None of the above

91. The liability of the members of the company can be limited by :

- (A) Share
- (B) Guarantee
- (C) Both (A) and (B)
- (D) Neither (A) nor (B)

92. The shares of a company can be feely transferable.

- (A) Private Ltd.
- (B) Public Ltd.
- (C) Partnership
- (D) All of the above

93. is the company created by special act of the legislature.
- (A) Registered company
 - (B) Public Ltd. Company
 - (C) Private Ltd. Company
 - (D) Statutory company
94. A private company means a company which has a minimum paid up capital of ₹
- (A) 1,00,000
 - (B) 5,00,000
 - (C) 50,00,000
 - (D) None of the above
95. A company cannot be treated as a citizen, yet it has its :
- (A) Nationality
 - (B) Domicile
 - (C) Residence
 - (D) All of the above
96. cannot give invitation to the public to subscribe for any shares in or debentures of the company.
- (A) Subsidiary company
 - (B) Statutory company
 - (C) Private company
 - (D) Registered company
97. A Government Company means any company in which not less than 51% of the paid-up share capital is held by :
- (A) Central Government
 - (B) State government
 - (C) Both (A) and (B)
 - (D) Neither (A) nor (B)
98. A copy of the must accompany each from of application for shares offered to the public.
- (A) Memorandum of association
 - (B) Prospectus
 - (C) Articles of association
 - (D) None of the above
99. If the company can make arrangements for raising the capital privately so that public appeal is unnecessary, the company is required to prepare a
- (A) Prospectus
 - (B) Statement in lieu of Prospectus
 - (C) Certificate of Prospectus
 - (D) None of the above
100. The Prospectus must be issued to the public within days of its date.
- (A) 30
 - (B) 60
 - (C) 90
 - (D) 100

4. Four alternative answers are mentioned for each question as—A, B, C & D in the booklet. The candidate has to choose the correct answer and mark the same in the OMR Answer-Sheet as per the direction :

Example :

Question :

- Q. 1 (A) ● (C) (D)
Q. 2 (A) (B) ● (D)
Q. 3 (A) ● (C) (D)

Illegible answers with cutting and over-writing or half filled circle will be cancelled.

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.

All answers are to be given on OMR Answer sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.

7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.

8. After the completion of the examination candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.

9. There will be no negative marking.

10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.

11. To bring and use of log-book, calculator, pager and cellular phone in examination hall is prohibited.

12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

Impt. : On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर—A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छोटना है। उत्तर को OMR आन्तर-शीट में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

उदाहरण :

प्रश्न :

- प्रश्न 1 (A) ● (C) (D)
प्रश्न 2 (A) (B) ● (D)
प्रश्न 3 (A) ● (C) (D)

अपठनीय उत्तर या ऐसे उत्तर जिन्हें काटा या बदला गया है, या गोले में आधा भरकर दिया गया, उन्हें निरस्त कर दिया जाएगा।

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।

6. सभी उत्तर केवल ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।

7. ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।

8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।

9. निगेटिव मार्किंग नहीं है।

10. कोई भी रफ कार्य, प्रश्न-पुस्तिका के अन्त में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।

11. परीक्षा-कक्ष में लॉग-बुक, कैलकुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।

12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

महत्वपूर्ण : प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्न-पुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्न-पुस्तिका प्राप्त कर लें।