

POST-GRADUATE COURSE
Term End Examination : June, 2017
COMMERCE

Paper-XIII : Corporate Financial Environment
Time : 2 Hours **Full Marks : 50**
 (Weightage of Marks : 80%)

Special credit will be given for accuracy and relevance in the answer. Marks will be deducted for incorrect spelling, untidy work and illegible handwriting. The weightage for each question has been indicated in the margin.

MODULE – I

Answer any *two* questions : $12 \frac{1}{2} \times 2 = 25$

1. Give a structure of Indian financial system in details and describe in brief. $12 \frac{1}{2}$
2. Describe the NBFCs by discussing the nature of activities they are involved in. $12 \frac{1}{2}$
3. Which are the factors that are considered in non-financial analysis as a part of company-level fundamental analysis ? Mention and discuss. $12 \frac{1}{2}$
4. a) Distinguish between simple bar chart and candlestick chart in technical analysis.
 b) With the following information about share prices (closing on a particular day), draw a point and figure chart, keeping box size as Re. 1 and reversal criterion as Rs. 2.

Day	Closing share price (in Rs.)	Day	Closing share price (in Rs.)
1	30	6	30
2	32	7	28
3	31	8	30
4	33	9	31
5	29	10	30

$$6 + 6 \frac{1}{2}$$

MODULE – II

Answer any *two* questions : $12 \frac{1}{2} \times 2 = 25$

5. a) Write a short note on Random Walk Hypothesis.
 b) Discuss the features of a strongly efficient market. How far is it possible to be achieved by any stock market in reality ? $5 + 7 \frac{1}{2}$
6. Discuss the yield curve and the term structure of interest rates. $12 \frac{1}{2}$
7. Write the difference between stocks and options. Discuss also the difference between trading a stock versus stock options, discussing details about making profit/incurring loss in a call option and put option. $4 + 8 \frac{1}{2}$
8. a) What is the effect of time value of money on the pricing of the options ?
 b) What should be the position of a short trader when the market is deep in the money ? $6 + 6 \frac{1}{2}$