

Notes: 1. Figure to right indicates marks

Q1. Answer the following (any 2) (15)

- a. What is risk and explain types of risk?
- b. Explain investment strategies in detail.
- c. The following particulars are furnished about Mutual Fund Schemes, P, Q and R.

Particulars	Scheme P	Scheme Q	Scheme R
Dividend Distributed	Rs.1.75	-----	Rs.1.30
Capital appreciation	Rs.2.97	Rs.3.53	Rs.1.99
Opening NAV	Rs.32	Rs.27.15	Rs.23.50
Beta	1.46	1.10	1.40

Ascertain the Alpha of the three schemes and evaluate their performance, if government of India Bonds carry an interest rate of 6.84% and the NIFTY has increased by 12;13%

Q.2. Answer the following (any 2) (15)

- a. Define Concepts:-a) Futures b) System Audit c) ERM
- b) Define role SWOT analysis in risk.
- c) Explain meaning and different forms of arbitrage.

Q.3. Answer the following (any 2) (15)

- a. Explain benefits of corporate governance.
- b. Explain techniques to meet stakeholder's expectation.
- c. Explain challenges of risk assurance.

Q.4. Answer the following (any 2) (15)

- a. Explain elements and significance of insurance securitization.
- b. Explain types of life insurance.

c. Expected losses are given in the table below:

Loss Value in (Rs.)	Probability
1,00,000	0.02
20,000	0.08
0	0.9

Find the Fair Premium if:

- Policy provides full coverage
- Underwriting costs =12% of pure premium
- Claims are paid at the end of year
- Interest rate =5%
- Expected claim processing costs = Rs.1500
- Fair profit = 3% of pure premium

Q.5. Calculate Beta for each of the following two securities from the given information:

(15)

Year	A Ltd.	B Ltd.	Market Portfolio
1	20	28	24
2	12	4	10
3	26	38	36
4	-8	-24	-16
5	26	22	20
6	28	38	32
7	8	6	14
8	36	40	30
9	48	56	60
10	44	32	50
