

Security Analysis

1. Point charts, line charts, vertical bar charts, etc. depict:-
 - (1) Rate of changes in prices
 - (2) Trends in prices
 - (3) Volume of trading
 - (4) **All of the above**

2. Prime lending rate is the minimum basic rate for lending. RBI has allowed freedom to banks to fix their own PLR. This rate is charged for:-
 - (1) MNC
 - (2) HNI
 - (3) **High creditworthy borrowers**
 - (4) Govt. borrowings

3. A company which has a high intrinsic worth is not necessarily the best stock to buy because:-
 - (1) **It can be overpriced**
 - (2) It can have high BV
 - (3) It has high EPS
 - (4) None of the above

4. Vijay Motors has paid up share capital of Rs. one crore. Market price of its share with face value of Rs.100/- is Rs.450/-. Last year its cash profit was Rs.30,00,000/- and net profit Rs.25,00,000/-. Its EPS is:- (3Marks)
 - (1) Rs.30/-
 - (2) Rs.27.50/-
 - (3) **Rs.25/-**
 - (4) None of the above

5. Correct diagnosis for investment decisions is possible from:-
 - (1) Analysis of various financial ratios of a company over a few years
 - (2) **Analysis of ratios supplemented by investigation into all aspects of the company**
 - (3) Both of the above
 - (4) None of the above

6. If investment analysts are not satisfied with analysis tools, they resort to:-
- (1) Trading plans
 - (2) **Formula plans**
 - (3) Research plans
 - (4) None of the above
7. To verify the extent of improvement or deterioration over a period of time in the business of a company, the following analysis is referred:-
- (1) **Trend analysis**
 - (2) Project analysis
 - (3) Funds flow analysis
 - (4) Ratio analysis
8. Companies A and B earn PAT of Rs.36/- crores on assets of Rs.200/- crores which are supported by full equity incase of A. B has borrowed funds of Rs.100/-. (3Marks)
- (1) EPS of both A & B companies is equal
 - (2) **EPS of company B is double that of A**
 - (3) EPS of company A is double that of B
 - (4) None of the above
9. Investor following rupee averaging up rule and selling 100 shares of scrip at price of Rs.150/-, Rs.200/- and Rs.250/- each month, has succeeded in having a optimum capital gain at a final price of:- (3Marks)
- (1) Rs.150/-
 - (2) **Rs.200/-**
 - (3) Both of the above
 - (4) None of the above
10. Pricing methods are not different for non-convertible bonds and for convertible bonds.
- (1) True
 - (2) **False**

11. At present in India, tele-communications, computer software, energy media, etc. are some examples of:-

- (1) Growing Industry
- (2) Core Industry
- (3) Sunset Industry
- (4) **Sunrise Industry**

12. Technical or fundamental analysis of a single scrip is known as:-

- (1) Macro Analysis
- (2) **Micro Analysis**
- (3) Both of the above
- (4) None of the above