

	to 13% and the debenture's required rate of return declines to 16%. Calculate the intrinsic values for both the securities.
	(c) Calculate the percentage changes in the intrinsic values for the preference share and the debenture.
3.	Distinguish between technical analysis and fundamental analysis.

Q4[a] Discuss Traditional vs. Modern Portfolio Analysis. (10)

Q4[b] An investment co. manages an equity fund consisting of stocks, with the following M.V and Beta: (07)

STOCK	M.V	BETA
A	100000	1.1
B	25000	1.2
C	50000	0.75
D	125000	0.60
E	165000	1.30

If the return on t-bills is 7% & expected market return is 14%, what is portfolio's expected return?

OR

Q4[a] Clarify the concept of Return and Risk of Portfolio. How to measure Portfolio Risk? (10)

Q4[b] Mr. Vedant holds the following portfolio. (07)

Share	Beta	Investment Rs.
NTPC	0.6	3,00,000
TATA Motors	1.0	1,80,000
PNB	1.2	1,20,000

What is the expected rate of return on Mr. Vedant's portfolio if the risk free rate is 6% & the expected return on market portfolio is 15%?
