

JK Lakshmipat University Jaipur
INSTITUTE OF MANAGEMENT
End Term Examination, May 2025
BBA, Semester IV, 2025-26

Roll No.....

FA1128: Financial Securities and Investments

Time: 2 hours

Max. Marks: 30

Instructions to students:

1. Do not write anything other than your roll number on the question paper.

2. Use of calculator is permitted.

- Q. 1 What are the key advantages of investing in REITs, and how do changes in market interest rates might influence REIT's performance and investor returns? 3.0 (LO3, 5)
- Q. 2 An investor bought 1,000 units of an open ended mutual fund when the NAV was ₹20. On December 2024, the total assets of the fund stood ₹150 crore and total liabilities stood at ₹5 crore. The fund also declared a dividend of ₹2 per unit during the year. If the total number of units outstanding remained at 1 crore, calculate: 3.0 (LO1,2)
- (a) The NAV on December 2024.
- (b) The Total gain per unit and percentage return for the investor, including dividend on 2024 year end.
- Q. 3 Discuss bonus issue and rights issues. How do these influence existing shareholder portfolio and the company's capital structure? 4.0 (LO5)
- Q. 4 Explain how Exchange-Traded Funds (ETFs) differ from traditional mutual funds in terms of liquidity, transparency, and cost structure. Illustrate your answer with suitable examples. 4.0 (LO1,2)
- Q.5 With ₹10,00,000 to invest over 10 years, create a diversified portfolio using the investment options studied in this course. Justify your choices based on risk, return, and investment goals. What external factors would you monitor over time, How would you respond to them. 4.0
- Q. 6 **Case: Aarav and Supriya's Investment Dilemma** (LO2,3,5)
- Case Background: In 2022, Aarav and Supriya young Fintech Post graduates received ₹2,00,000 each as a joining bonus. Both being tech savvy were highly positive about the growing acceptance of smart contracts and decentralized finance. They chose different investment strategies:

Aarav's investments in 2022

- ₹60,000 in Bitcoin (BTC)
- ₹40,000 in Ethereum (ETH)
- ₹20,000 in Tether (USDT)
- ₹80,000 in Bajaj Finserv Ltd. shares @ ₹100/share

Supriya's investments in 2022

- ₹1,00,000 in a blue-chip mutual fund
- ₹30,000 in Bitcoin (BTC)
- ₹30,000 in USDT
- ₹40,000 in 5%, 3 year sovereign bonds

Scenario after three years (2025)

BTC and ETH's final values doubled

Bajaj Finserv Ltd rose to ₹160/share

USDT stayed constant

Supriya's Mutual fund investment's Final Value is 1,20,000

Current Market regulations and developments:

A new crypto regulation proposes 40% tax on crypto gains.

Launch of a Digital Rupee (CBDC).

RBI has reduced the key policy repo rate to 5.00%

Introduction of a global Green Energy ETF for Indian.

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| a. Classify all cryptocurrencies in both portfolios by type. Which according to you is a better asset class of cryptocurrency to invest? Provide rationale. | 4.0 |
| b. Calculate the Portfolio CAGR and inflation adjusted CAGR of Aarav and Supriya's investments over 3 years. (Assume inflation 6%). Comment on their CAGRs. | 3.0 |
| c. Recommend if Aarav or Supriya should restructure their portfolios considering current market dynamics. Justify your recommendation. | 3.0 |
| d. What is one key takeaway each investor should learn about portfolio planning and regulation? | 2.0 |

all the best!