

- 3 (a) Explain the various types of options. 6
 (b) What is a depository ? What are the basic services offered by a depository ? 6
- 4 (a) What are the major features of National Stock Exchange ? Explain briefly. 6
 (b) Explain margin trading with the help of an example. 8

OR

- 4 (a) Write the advantages of OTCEI for companies and investors. 6
 (b) Explain the various types of speculators. 8
- 5 Attempt any three : 18
 (a) Diversification helps in reducing risk. Explain. Also briefly write the methods of diversification.
 (b) Discuss in detail the phases of portfolio management.
 (c) With the help of sharpe model calculate the weights of following securities for optimum portfolio, if risk free return is 8%.

Security	Expected Return (R_i)	Beta (B_{im})	$\sigma^2 e_i$	C_i
A	20	1	40	2.769
B	16	1	35	3.852
C	14	0.8	25	4.414
D	17	1.6	30	4.836
E	18	2.5	35	4.481
F	15	2	35	4.276
G	12	1.5	30	4.155
H	10	1.2	15	3.814