



6. From the following details, compute expected rate of returns.

Situation	Probability	Returns (%)
Inflation	0.4	9
Deflation	0.3	7
Normal	0.3	8

SECTION – C

Answer **any three** of the following questions. **Each** question carries **fourteen** marks. **(3×14=42)**

7. Explain the different types of risk in detail.
8. What is industry analysis ? State the objectives and components of industry analysis.
9. Explain security selection process in detail.
10. Explain in detail 'Porters five force model'.
11. From the following information, calculate
 - a) Expected rate of return and
 - b) Risk in terms of standard deviation of Securities X and Y.

Security X		Security Y	
Probability	Return %	Probability	Return %
0.05	5	0.10	6
0.15	8	0.20	10
0.40	12	0.30	15
0.25	15	0.25	18
0.10	20	0.10	20
0.05	24	0.05	24