

[31005]

M.B.A DEGREE EXAMINATIONS

THIRD SEMESTER

SPECIALIZATION: FINANCIAL MANAGEMENT

Paper - V: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(W.E.F 2016-17 Admitted Batch)

Time : 3 Hours

Maximum : 75 Marks

SECTION - A

I. Answer any FIVE questions not exceeding one Page each: (5×4=20)

1. Explain the Investment process.
2. What is Risk and its Significance in decision-making?
3. What is fundamental analysis and explain it in a concise manner?
4. Explain various elements of Portfolio management.
5. Sharpe Model
6. Sensex
7. Jensen Model
8. Technical Analysis in Portfolio management

SECTION - B

II. Answer all the questions not exceeding 4 pages each: (5×8=40)

1. a) What is Investment and how it Differentiates from Speculation? Explain.

(OR)

- b) Explain different types of securities in the capital market.

2. a) What is the Risk-Return Relationship? Explain how this relationship helps in financial decision-making.

(OR)

- b) What is Risk? Explain various types of risks.

3. a) What is Security Analysis ? Explain briefly the Fundamental Analysis with examples.

(OR)

b) Explain the concept of Market Efficiency and its Forms.

4. a) Explain the CAPM model in brief and illustrate with Examples.

(OR)

b) Explain the Arbitrage pricing theory in brief and illustrate with examples

5. a) What do you mean by Performance Evaluation of Portfolios? Explain various models of Performance Evaluation.

(OR)

b) What do you mean by Mutual Fund? Explain the process of Evaluation of Mutual Funds and How it's different from others?

SECTION - C

III. Case Study: The following case study is a compulsory question (1×15=15)

Mr. Fool Vijay provides you with the following information. You are required to calculate the optimum portfolio by choosing among the following securities and assuming the risk-free return is 8% and variance in the market index $(2m) = 12\%$.

Security	Expected Return	Beta	Security's unsystematic risk
No. i	\hat{R}_i	β_m	σ^2_{ei}
SBI	20	1.0	40
RBL	18	2.5	35
ITC	12	1.5	30
IDBI	16	1.0	35
ICICI	14	0.8	25
MRPL	10	1.2	15
CNBC	17	1.6	30
NDTV	15	2.0	35