

Code: BA3T6F

**II MBA-I Semester-Regular Examinations DECEMBER 2014**

**SECURITY ANALYSIS AND PORTFOLIO  
MANAGEMENT**

Duration: 3hours

Max. Marks: 70

**SECTION-A**

**1. Answer any FIVE of the following:**

**5 x 2 = 10 M**

- a. What is stock index ?
- b. What is Beta ?
- c. What is Security ?
- d. What is equity shares?
- e. What is Nifty?
- f. What is market index ?
- g. What do you mean by bonus shares?
- h. What do you mean by market breath ?

**SECTION – B**

**Answer the following:**

**5 x 10 = 50 M**

2. a) What is an investment ? How it is different from speculation and gambling .

OR

b) Explain different types of stock orders to be placed on BSE.

3. a) Stocks A and B have yielded the following returns for the past two years

| Years | Return (%) |    |
|-------|------------|----|
|       | A          | B  |
| 2010  | 12         | 14 |
| 2011  | 18         | 12 |

What is expected return on portfolio in combination of 60 and 40%. Find out standard deviation for each stock.

OR

b) What do you mean by portfolio management ? Explain traditional approach of portfolio construction.

4. a) A bond of Rs. 2000 face value, bearing a coupon rate of 14 % will mature after 8 years. What is the value of the bond if the discount rates are 16 % and 18%.

OR

b) Explain different methods of valuing bonds.

5. a) What do you mean by Company analysis ? explain the feature of company analysis?

OR

b) What do you mean by Industry analysis ? Explain the process of Industry analysis?

6. a) Explain different techniques of mutual fund evaluation.

OR

b) Discuss success and failure stories of Indian mutual fund industry.

## SECTION – C

### 7. Case Study

1 x 10 = 10 M

The following three portfolios provide the particulars given below

| <b>Portfolio</b> | <b>Average Return</b> | <b>Standard Deviation</b> | <b>Correlation Co-efficient</b> |
|------------------|-----------------------|---------------------------|---------------------------------|
| Tata Fund        | 18                    | 27                        | 0.8                             |
| ICICI Fund       | 14                    | 18                        | 0.6                             |
| Reliance Fund    | 15                    | 8                         | 0.9                             |
| BSE index        | 13                    | 12                        | -                               |

Risk free rate of interest is 9%. Rank these funds using Sharpe's and Treynor's methods.