PVP 17

Code: **17BA3T5FA**

II MBA - I Semester – Regular/Supplementary Examinations
March - 2021

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Duration: 3 hours Max. Marks: 60

SECTION – A

1. Answer the following **5 x 2 = 10 M**

a) Margin trading.
b) Intrinsic value.
c) Bond Immunization.
d) Define risk.
e) Capital Assets Pricing model.

SECTION – B

Answer the following: **5 x 8 = 40 M**

2. a) What is investment? Describe briefly the important investment avenues available to savers in India?

(OR)

b) Explain about the Regulatory system for equity markets in India.

3. a) What do you mean by fundamental analysis. How does fundamental analysis differ from technical analysis?

(OR)

b) Explain about Efficient Market Hypothesis.

4. a) A bond of face value Rs. 1000 was issued five years ago at a coupon rate of 10 per cent. The bond had a maturity period of 10 years and as of today, therefore, five more years are left for final repayment at par. If the current market interest rate is 14 per cent, calculate the present value of the bond.

(OR)

b) Explain the concepts of P/E Ratio and EVA.

5. a) Define risk? Explain different types of risks in investment?

(OR)

b) The returns on security A and B are given below

Probability	Security A	Security B
0.5	4	0
0.4	2	3
0.1	0	3

Give the security of your preference. Which security has to be selected on the basis of return and risk?

6. a) What do you mean by portfolio Management? Explain importance and objectives of portfolio management.

(OR)

b) Explain the Sharpe Index model. How does it differ from the Markowitz model.

SECTION – C

7. Case Study **1 x 10 = 10 M**

Complete the blanks in the following table by using CAPM equilibrium model. Assume Market returns are 14% and risk free rate of interest is 8%.

Security	E(R)	σ	β	e_i^2
A	0.15	-	2.0	0.10
B	-	0.25	0.75	0.04
C	0.09	-	0.50	0.17