Code: **17BA3T5FA**

II MBA - I Semester-Regular/Supplementary Examinations November 2019

SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Duration: 3 hours   Max. Marks: 60

SECTION - A

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

    a) Stop Loss Order.
    b) Technical Analysis.
    c) Deep Discount Bond.
    d) Risk.
    e) Single Index Model.

SECTION – B

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

2. a) Define the term Investment. Is Investment different from speculation? Explain.

<div align="center">OR</div>

    b) What is Margin trading? Explain different types of margins.

3. a) Explain about Fundamental Analysis. List out the beliefs of Fundamental analysts.

<div align="center">OR</div>

    b) "The Indian stock market is efficient". Discuss.

4. a) Mr. Anirudh wants to purchase ABC company's stock and hold on it for five years. He expects that Rs.3.44 dividend would be paid by the company continuously for coming five years. He wants to sell the shares at Rs.60 at the end of the 5th year. What is the present value of the share if he requires 10% rate of return.

OR

b) What do you know about Duration? Explain the relationship between duration and price change.

5. a) Define Risk and distinguish between Systematic and Unsystematic Risk.

OR

b) The following are the values of Nifty and two companies called "SBI" and "VEDL". You are required to;
i) which company has high systematic risk
ii) on the basis of return which company is preferable.

NSE's Nifty	SBI	VEDL
11691.95	284.85	223.50
11738.50	291.65	230.25
11691.90	296.45	229.90
11676.80	296.55	229.45
11680.50	296.40	224.80
11582.35	306.35	228.45
11520.30	309.60	227.70
11476.95	308.60	230.00
11536.90	309.70	228.05
11589.10	305.35	230.30

6. a) What do you know about Portfolio Management? Explain its objectives and importance.

OR

b) What are the basic assumptions of CAPM? What are the advantages of adopting CAPM in Portfolio Management?

SECTION-C

7. Case Study   **1x10=10 Marks**

The following data gives the market return and company scrip's return for a particular period. You are required to calculate;
   i) the beta value of the company scrip.
   ii) If the market return is 2, what would be the company scrip's return?

Index Return (Rm)	0.50	0.60	0.50	0.60	0.80	0.50	0.80	0.40	0.70
Scrip Return (Ri)	0.30	0.60	0.40	0.50	0.60	0.30	0.70	0.50	0.60