PVP 17

Code: **17BA3T5FA**

II MBA - I Semester-Regular/Supplementary Examinations February 2022

SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Duration: 3 hours Max. Marks: 60

SECTION - A

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

a) Speculation.
b) Industry life cycle.
c) Yield To Call.
d) Meaning of Risk.
e) Capital Market Line.

SECTION – B

Answer the following: 5 x 8 = 40 M

2. a) Explain primary and secondary markets and their Significance.

OR

b) Define Investment. Explain the process of investment undertaken by the Investor.

3. a) Fundamental analysis includes Economic, Industry and company analysis. Brief out each one and their significance.

OR

b) What do you mean by Technical analysis and discuss its importance and explain different techniques used in the technical analysis.

4. a) Explain different steps for valuation of Bonds using intrinsic value approach with suitable example.

OR

b) Elaborate different valuation models for equity shares and discuss dividend discount models in brief with suitable examples.

5. a) A Stock details for the past 4 years are as follows,

Year	beginning Price	end price	Dividend
1	100	110	2
2	110	115	3
3	115	125	2
4	125	140	1

Measure the following:

i) Return of stock each year

ii) Average Return

iii)Risk of the stock using standard deviation

OR

b) Describe systematic and Unsystematic risk, how diversification help us to avoid unsystematic risk give valid reasons.

6. a) Explain the concept of efficient frontier in the context of portfolio selection.

OR

b) Describe the Arbitrage pricing theory and its constituents and explain how it is different from CAPM.

SECTION-C

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

The following table gives the rate of return on stock of Apple Computers and on the market portfolio for five years

Year	*Return on the stock Apple Computers* (%)	*Return Market Portfolio*(%)
1	-13	-3
2	5	2
3	15	8
4	27	12
5	10	7

i) What is the beta of the stock of Apple Computers?
Establish the characteristic line for the stock of Apple Computers.