Code No: **21BA3T5FA**

II MBA - I Semester Regular Examinations
FEBRUARY -2023

SECURITY ANALYSIS & POFTFOLIO MANAGEMENT

Duration: 3 Hours   Max. Marks: 70

Note: 1. This question paper contains three Parts-A, Part-B and Part-C.
   2. Part-A contains 8 short answer questions. Answer any **Five** Questions.
      Each Question carries 2 Marks.
   3. Part-B contains 5 essay questions with an internal choice from each unit.
      Each Question carries 10 marks.
   4. Part-C contains one Case Study for 10 Marks.
   5. All parts of Question paper must be answered in one place

BL – Blooms Level   CO – Course Outcome

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PART - A

		BL	CO
1. a)	Identify Factors to be considered in investment decision.	L1	CO1
1. b)	Explain about Active and passive bond management strategy.	L1	CO1
1. c)	Explain Macro Economic Analysis.	L1	CO3
1. d)	How to Construct minimum risk portfolio?	L1	CO4
1. e)	Explain Arbitrage pricing theory.	L1	CO5
1. f)	How to calculate Sensex?	L1	CO1
1. g)	What do you mean by Bond Immunization?	L1	CO2
1. h)	Explain different types of orders.	L1	CO1

PART – B

			BL	CO	Max. Marks
		UNIT – I			
2.	a)	Distinguish between investment and speculation.	L3	CO1	5 M
	b)	Explain role of SEBI in Stock Market Regulations.	L2	CO2	5 M
		OR			
3.	a)	Write about trading system in stock exchange.	L2	CO1	5 M
	b)	What are the sources of investment information?	L3	CO2	5 M
		UNIT – II			
4.	a)	An investor wants to purchase a Bond with maturity of 3 yrs, coupon rate 11% and par value of Rs 100. Investors are expecting 10% return from the investment. What is the value of bond?	L4	CO1	5 M
	b)	Define bonds and the features. Write any five bond theorems with examples.	L3	CO2	5 M
		OR			
5.	a)	Hotel Bharat paid a dividend of Rs 4 per share. Dividends have been growing on annual rate of 8% and this growth rate is expected to continue for 5 years and the spot price of the stock is Rs.100. What is the present value of stock if the required rate of return is 14%?	L4	CO1	5 M

	b)	What are the factors influencing the valuation of equity shares valuation with single period and multi period valuation models?	L2	CO2	5 M

UNIT-III

6.	a)	Difference between fundamental and technical analysis.	L2	CO1	5 M
	b)	Explain different Forms of market efficiency.	L3	CO1	5 M

OR

7.	a)	Explain Dow theory.	L2	CO3	5 M
	b)	What do you mean by Elliot wave theory.	L3	CO3	5 M

UNIT – IV

8.	a)	Define risk. Illustrate quantification of risk with an example.	L2	CO1	5 M
	b)	What is portfolio? What are the different types of portfolio risk?	L2	CO4	5 M

OR

9.	a)	How to Minimizing risk exposure?	L3	CO1	5 M
	b)	Define beta. What is diversification of risk?	L3	CO4	5 M

UNIT – V

10.	a)	What is portfolio management? Explain the steps involved in portfolio management.	L3	CO1	5 M
	b)	If risk free rate is 8%, market risk premium 6%, market SD is 10%. Calculate the variance of two portfolios,	L3	CO5	5 M

			BL	CO	Max. Marks
		beta is 1.5, risk free investment is 30% and risky fund is 70%.			
OR					
11.	a)	Explain assumptions and formulas under Markowitz portfolio model.	L4	CO1	5 M
	b)	Determine the Treynors and sharp measures from the following information. Average rate of return on market portfolio 18%, average rate of return 19%, Rf 12%, Standard deviation 14%, Beta 0.95.	L5	CO5	5 M

PART –C

		BL	CO	Max. Marks
12.	Describe investment returns, and what "best case" and "worst case" returns you might hope to achieve for your new client. What is the return on an investment that costs $1,000 and is sold after one year for $1,100? Would you recommend this type of investment for your task at hand? List out various sources of investment opportunities available for the investors and also list out various factors to be considered while investment.	L5	CO3	10 M