

Code: BA3T6F

**II MBA - I Semester - Regular / Supplementary Examinations
DECEMBER 2017**

**SECURITY ANALYSIS AND PORTFOLIO
MANAGEMENT**

Duration: 3 hours

Max. Marks: 70

SECTION-A

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

- a) Margins
- b) CAPM
- c) Bond immunization
- d) Intrinsic value
- e) Mutual Funds
- f) NAV
- g) Types of orders
- h) Types of Risk

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Define Investment and explain the Investment Process.

(OR)

b) Explain about Clearing and Settlement procedure in Stock Market in India.

3. a) Stocks L and M have yielded the following returns for the past two years

Years	Return of L%	Return of M %
2014	12	14
2015	18	12

- i) What is the expected return on portfolio made up of 60% of L and 40% of M?
- ii) Find out the standard deviation of each stock?
- iii) What is the covariance and co-efficient of correlation between stock L and M?
- iv) What is portfolio risk of a portfolio made up 60% L and 40% M?

(OR)

b) Explain briefly about Markowitz portfolio model.

4. a) The market price of Rs 1,000 per value bond carrying a coupon rate of 14% and maturing after 5 years is Rs 1,050, what is the yield to maturity on this bond?

(OR)

b) Explain about Bond pricing theorems.

5. a) Write the Difference between fundamental and technical analysis.

(OR)

b) Explain different theories of Technical analysis.

6.a)

FUNDS	RETURNS	RISK	BETA
ABC	9	18	0.72
XYZ	17	37	1.33
MARKET INDEX	12	29	1.0

Assuming the risk free rate as 6%, calculate

- i) Sharpe measure
- ii) Tryonors measure
- iii) Jensons model
- iv) Fama model

(OR)

b) Define mutual fund and explain its growth in India.

SECTION – C

7. Case Study

1 x 10 = 10 M

Determine portfolio risk innolved with the help of following information

Sno	Scrips	Weights (%)	Standard deviation (%)
1	RIL	30	45
2	TATA	70	10

Correlation between RIL and TATA is -0.90.