



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2018-20)

CLASS TEST - II

Security & Portfolio Management (18MBA-301B)

Total Marks : 15

Time: 1 Hour

1. Answer all the questions: (5 X 1)
 - a) What do you mean by oscillators?
 - b) Define portfolio Revision.
 - c) What are trend reversals?
 - d) What is SML?
 - e) What is moving average?

2. Answer any two from the following questions. (2 X 2.5)
 - a) Discuss the significance of Economic forecasting and Stock Investment decisions.
 - b) Make a comparison between Fundamental Analysis and Technical Analysis.
 - c) Explain the CAPM model of portfolio management.

3. Elaborate the features and implications of EMH on investment.

OR

(1 X 5)

A security pays a dividend of Rs. 3.85 and sells currently at Rs. 83/. The security is expected to sell at Rs. 90 at the end of the year. The security has a beta of 1.15. The risk free rate of return is 5 % and the expected return on market index is 12 %. Assess whether the security is correctly priced.



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2017-19)

CLASS TEST - II

Security & Portfolio Management (MBA-304B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

Q.1. Answer all the questions

[5x1=5]

- a) If the portfolio having two securities 1 & 2 with the data : $W_1 = 0.6$, $W_2 = 0.4$, $\sigma_1 = 0.1$, $\sigma_2 = 0.16$, $r_{12} = 0.5$, then find the portfolio risk in the form of S.D. ?
- b) Differentiate between support and resistance patterns.
- c) Differentiate between stag and lame duck position.
- d) What the term can be used when borrowings money is used to purchase security?
- e) If the co-efficient correlation between two securities (r_{12}) is zero (0), S.D. of security P and Q is 50% & 30% respectively and the proportion of investment in P is 40%, then find S.D. of portfolio.

Answer any two from the following questions

[2x2.5=5]

Q.2. What is efficient market hypothesis ? Discuss the various forms of market efficiency ?

Q.3. The variance and co-variance matrix is given below :

Weight : 0.2 0.3 0.5

		A	B	C
0.2	A	52	63	36
0.3	B	63	38	74
0.5	C	36	74	45

Find the portfolio risk ?

Q.4. What are the indicator approach to economic forecasting ? Explain.

Answer any one from the following

[1x5=5]

Q.5. What is technical analysis and write all its basic principles. Also discuss different forms of chart.

Q.6. Write short note on :

- i) Dow theory
- ii) Random walk theory
- iii) Bullish Vs Bearish trend.

-Best of Luck-

Security & Portfolio Management (MBA-304B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

I. Answer all the following questions.

[1 x 5 = 5]

1. If two assets have the same risk, a risk averter will always choose the asset with the higher expected return. [true/false]
2. The expected return is determined by:
 - a. probabilities.
 - b. rates of return on an asset
 - c. correlations.
 - d. both a & b
 - e. both a ,b & c
3. To achieve maximum diversification in a two-asset portfolio, investors should choose stocks with correlation of :
 - a. +1.0
 - b. -0.5
 - c. +0.5
 - d. 0
 - e. -1.0
4. Which version of the EMT states that only past price information is reflected in prices?
 - a. weak form
 - b. semi-strong
 - c. strong form
5. Frequent price changes for common stock suggest that the stock market is not efficient. [true/false]

II. Answer any two of the following:

[2.5 x 2 = 5]

1. Discuss the empirical test of weak and semi strong form of market efficiency
2. Discuss the five different phases of portfolio management
3. Write down the difference between security market line vs. company market line

III. Answer any one of the following:

[5 x 1 = 5]

1. Explain the theoretical foundation in Markowitz model, bringing out the concept and opportunity set of portfolio efficient frontier and limitation.
2. The following data are available to you as a portfolio manager

Security	Estimated return (%)	Beta	Volatility Rate (%)
1	32	2.10	50
2	30	1.80	35
3	25	1.65	42
4	20	1.30	26
5	18	1.15	29
6	15	0.85	18
7	14	0.75	20
8	12	0.50	17
Market index	16	1.00	25
Govt. security	7.5	0.00	0

- (i) In terms of security market line, which of the security listed above are undervalued?
- (ii) Assuming that a portfolio is constructed investing equal proportion of funds in each of the above of the securities, what is the expected return and risk of the portfolio?



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2015-17)

CLASS TEST - II

Security & Portfolio Management (MBA-304B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

I. Answer all the questions :

[1x5=5]

- a) What is security market line?
- b) What is characteristic regression line?
- c) What do you mean by 'head-and-shoulder'?
- d) What is short-interest?
- e) What do you mean by formula plans?

II. Answer any two questions :

[2.5x2=5]

- a) Write a short note on Efficient Market Hypothesis?
- b) Write a short note on Elliot Wave Theory?
- c) Write a note on Industry life cycle?

III. Answer any one questions :

[5x1 = 5]

- a) What are the phases of portfolio management?
- b) What are formula plans? Explain any two formula plans in detail.
- c) Find out the best performing portfolio from the following using Sharpe's ratio and Treynor Ratios: (The risk free rate is 7%)

Fund	Return (percent)	Std. Deviation	Beta
A	12	18	0.7
Z	19	25	1.3
M (Mkt. Index)	15	20	1.0



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2014-16)

CLASS TEST – I I

Security & Portfolio Management (MBA-306B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

1. Answer all the questions : [0.5 x 10=5]

- a) What is security market line?
- b) What is characteristic regression line?
- c) What is efficient frontier?
- d) What is capital market line?
- e) What do you mean by Heuristics?

2. Answer any two questions : [2.5x2=5]

- a) Write a short note on Efficient Market Hypothesis?
- b) Write a short note on CAPM?
- c) What is behavioural finance? Write down the factors of behavioural finance.

3. Answer any one questions : [5x1= 5]

- a) What are the phases of portfolio management?
- b) What are formula plans? Explain any two formula plans in detail.
- c) Find out the best performing portfolio from the following using Sharpe's ratio and Treynor Ratios: (The risk free rate is 7%)

Fund	Return (percent)	Std. Deviation	Beta
A	12	18	0.7
Z	19	25	1.3
M (Mkt. Index)	15	20	1.0