Registration No :

Total Number of Pages : 02

8th Semester Regular Examination: 2021-22
SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
BRANCH(S) : IMBA
Time : 3 Hour
Max Marks : 100
Q.Code : J033
Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.
The figures in the right hand margin indicate marks.

Part-I

Q1   Answer the following questions :   (2×10)
a)   What are the objectives of investment?
b)   What is meant by listing of securities?
c)   What is quote driven system?
d)   Explain the modalities of short sale.
e)   What is margin trading?
f)   What is Beta? How is it interpreted?
g)   Fundamental analysis involves three step analysis. What are they?
h)   Do you agree that monsoon can also influence the stock market? How?
i)   What is Relative Strength Index? What does it signal?
j)   What do you mean by Breadth of Market?

Part-II

Q2   Only Focused-Short Answer Type Questions- (Answer Any Eight out of   (6×8)
Twelve)
a)   Discuss four characteristics of investment.
b)   Distinguish between speculation and investment.
c)   Explain different investment avenues.
d)   Discuss the four types of speculators in stock market.
e)   Explain unsystematic risk and discuss how does it affect specific security.
f)   Find the expected return from the following data in respect of a security

Possible return (%)	probability
30	0.10
40	0.30
50	0.40
60	0.20

g)   What are the basic principles of Technical analysis.
h)   Explain the chart patterns to identify trend reversal and predict future movement of stock price.
i)   Discuss Elliot wave theory with the help of a diagram.
j)   Distinguish between Technical analysis and Fundamental analysis.
k)   Explain the strong form of EMH. How far it is validated?
l)   Consider two securities P and Q, with expected returns of 15% and 24% respectively. Their standard deviations are 35% and 52 % respectively. Calculate the standard deviation of a portfolio weighted equally between the two securities if their correlation is -0.9.

Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

Q3 A security currently sells at Rs125. It is expected to pay a dividend of Rs4.25 and be sold for Rs140 at the end of the year. The security has a beta of 1.42. The risk free rate in the market is 6% and the expected return on a representative market index is 15%. Assess whether the security is correctly priced. **(16)**

Q4 What are revision strategies of a portfolio? Explain the formula plans of portfolio revision. **(16)**

Q5 What are the objectives of portfolio evaluation? Explain the concepts of Reward to variability and Reward to volatility. **(16)**

Q6 Discuss the Markowitz model of portfolio selection with diagram. List it limitations. **(16)**