(6 pages) **Reg. No. :** ..................................

**Code No. : 6069** **Sub. Code : KBAE 32**

MASTER OF BUSINESS ADMINISTRATION (CBCS) DEGREE EXAMINATION, NOVEMBER 2017.

Third Semester

Elective – SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(For those who joined in July 2016 and afterwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Variability of return is

(a) Profit (b) Risk

(c) Investment (d) Liquidity

2. Net profit divided by net worth gives

(a) return on equity

(b) interest

(c) loan

(d) debenture

3. Yield to maturity is associated with

(a) fixed asset

(b) sundry debtors

(c) bond investment

(d) depreciation

4. Fundamental analysis includes

(a) economic analysis

(b) industry analysis

(c) company analysis

(d) all of the above

5. Option seller

(a) Grants the option to buy or sell

(b) Receives premium

(c) Both (a) and (b)

(d) Provides loans and advances

6. Futures involve

(a) standardised contracts

(b) sale of machinery

(c) bad debts

(d) drawings

7. Technical analysis

(a) involves speculation

(b) is a process of identifying trend reversals

(c) is made by workers

(d) is also called company analysis

8. The market efficiencies include

(a) operational efficiency

(b) informational efficiency

(c) both (a) and (b)

(d) promotional expenditure

9. Markowitz ins associated with

(a) Plant maintenance

(b) CAPM

(c) Market segmentation

(d) Product positioning

10. Arbitrage pricing theory

(a) is concerned with manufacture

(b) relates to depreciation policy

(c) helps in recruitment of people

(d) is a tool used by investors



PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Compare and contrast investment with speculation.

Or

(b) A company pays Rs. 5 per share as dividend and the market value is Rs. 50. Calculate dividend yield.

12. (a) Discuss economic analysis.

Or

(b) Bring out the uses of financial statements.

13. (a) Write a short note on put options.

Or

(b) State the differences between futures and options.

14. (a) Explain primary trends is market.

Or

(b) Describe steps in portfolio construction.

15. (a) Examine the importance of portfolio evaluation.

Or

(b) How is sharpe's performance index worked out?

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Enumerate factors influencing risk.

Or

(b) Discuss various steps in investment process.

17. (a) Describe the industry analysis.

Or

(b) (i) What is holding period return of bond?

(ii) An investor purchased a bond at a price of Rs. 900 with Rs. 50 as coupon payment and sold it at Rs. 1,000. What is his holding period return?

18. (a) Discuss various types of option positions.

Or

(b) Explain characteristics of futures.



19. (a) Examine Random walk theory.

Or

(b) Describe Markowitz model of portfolio.

20. (a) Describe Treynor Index, highlighting its significance.

Or

(b) Bring out the features of Arbitrage Pricing Theory.

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