

(6 pages)

Reg. No. : .....

**Code No. : 5660**

**Sub. Code : ZBAE 31**

M.B.A. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2023.

Third Semester

Business Administration

Elective – SECURITY ANALYSIS AND PORTFOLIO  
MANAGEMENT

(For those who joined in July 2021-2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. All personal investing is designed to achieve certain \_\_\_\_\_

- (a) Objective                      (b) Investment  
(c) Risk                              (d) Returns

2. An investor committed money for very short period expect \_\_\_\_\_

- (a) Return from price fluctuation  
(b) Dividend  
(c) Benefit from both price variation and dividend  
(d) None of these

3. A measure of risk per unit of expected return

- (a) Standard deviation  
(b) Coefficient of variation  
(c) Correlation coefficient  
(d) Beta

4. The fundamental analysis is a method of finding out

- (a) Ratio  
(b) Value of shares  
(c) Tips  
(d) Future price of a security

5. Financial derivatives include

- (a) Stocks                              (b) Bonds  
(c) Futures                              (d) None of the above

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6. A contract that requires the investor to sell securities on a future date is called a
  - (a) Short contract      (b) Long contract
  - (c) Hedge              (d) Micro hedge
7. The greater the beta, the security involved
  - (a) Greater the unavoidable risk
  - (b) Greater the avoidable risk
  - (c) Less the unavoidable risk
  - (d) Less the avoid
8. Which analysis provides a simplified picture of price behaviour of shares
  - (a) Fundamental      (b) Technical
  - (c) Ratio              (d) Fund flowable Risk
9. The APT differs from CAPM because the APT
  - (a) Places more emphasis on market risk
  - (b) Recognizes multiple systematic risk factors
  - (c) Recognizes multiple unsystematic risk factors
  - (d) Minimizes the importance of diversification
10. Reward to variability Ratio is \_\_\_\_\_
  - (a) Treynor Ratio      (b) Sharp Ratio
  - (c) Jensen Ratio      (d) Book Market Ratio

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 250 words.

11. (a) Discuss in detail the need and importance of investment in India in the era of globalization.  
Or  
(b) Bring out the difference between investment and speculation.
12. (a) What are bonds? Explain the different types of bonds.  
Or  
(b) Write a note on risk return trade off in portfolio level.
13. (a) What do you mean by options? What are various options trading strategies available to minimize the risk?  
Or  
(b) Bring out the difference between option contracts and future contract.
14. (a) What are the assumptions of portfolio theory?  
Or  
(b) What is portfolio revision? Explain the types of formula plans in portfolio revision.





15. (a) Explain the Jensen index of portfolio performance.

Or

- (b) Explain the Sharp index model. Also explain optimal-portfolio of sharps model.

PART C — ( $5 \times 8 = 40$  marks)

Answer ALL questions, choosing either (a) or (b)  
Each answer should not exceed 600 words.

16. (a) Explain the characteristics and types of investment.

Or

- (b) Describe the various equity valuation models in detail.

17. (a) What do you meant by company analysis? Explain its techniques and merits.

Or

- (b) Elaborate various bond evaluation strategies in detail.

18. (a) Discuss various determinants of option pricing and option positions.

Or

- (b) Briefly explain stock index futures and its key components.

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19. (a) What do you meant by portfolio selection? Explain process of portfolio selection and factors considered in portfolio selection.

Or

- (b) Briefly explain constraints in portfolio revision and portfolio revision strategies.

20. (a) Compare sharp index, treynor index and Jensen's index in detail.

Or

- (b) Discuss assumptions of arbitrage pricing theory and state the difference between arbitrage pricing theory and CAPM.
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