

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt any four short answer type questions from Section-A. Attempt any two questions from Section-B & C respectively.

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SECTION-A

- I. Explain any four of the following in brief: -
- (a) Give any three objectives of investment in securities.
 - (b) What do you mean by diversification?
 - (c) Define Absolute Breadth Index.
 - (d) What are the basic assumptions of APT (Arbitrage Pricing Theory)?
 - (e) Explain the traditional approach to portfolio construction.
 - (f) What is portfolio revision? (4×5)

SECTION-B

- II. Why do people invest? What are the factors which are favourable for making investments in an economy? (15)
- III. How fundamental analysis is useful to a prospective investor? (15)
- IV. What are the charts? How they are interpreted in technical analysis? (15)
- V. What are the techniques for testing the various forms of efficient market hypothesis? (15)

SECTION-C

- VI. 'Higher the return, higher will be the risk.' In this context discuss the various risks associated with portfolio planning? (15)
- VII. Discuss in detail the Capital Asset Pricing Model (CAPM). (15)
- VIII. Differentiate value Vs Growth Investing. Give logical reasons to support your answer. (15)
- IX. What is the essential difference between the Sharpe and Treynor indexes of portfolio performance? (15)

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