JP – 320

III Semester M.Com. (FA) Degree Examination, May/June 2023
(CBCS Scheme) (2021 – 22)
COMMERCE (Financial Analysis)
Paper – 3.2 : Security Analysis and Portfolio Management

Time : 3 Hours Max. Marks : 70

SECTION – A

1. Answer **any seven** sub-questions out of ten. **Each** question carries **two** marks. **(7×2=14)**
   a) Define Money Market Securities.
   b) What are Hybrid Instruments ?
   c) Explain Efficient Market Hypothesis.
   d) State the fixed and variable income securities.
   e) What is Renko chart ? Where is it used ?
   f) Define the term Speculation.
   g) What are the technical indicators used in stock market ?
   h) Explain Portfolio Management.
   i) Enumerate the relationship between Risk and Return.
   j) Describe Global Mutual Funds.

SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks. **(4×5=20)**

2. Bring out the difference between Investment and Hedging.
3. Equal amount of investment is made in portfolio consisting of securities X and Y. Standard Deviation of X is 12.43%; Standard Deviation of Y is 16.54%; Correlation coefficient is 0.82; what shall be the Covariance ?
4. Describe Technical Analysis. Bring out the various modern tools for technical analysis.
5. Write a note on International Fund Management.
6. Briefly analyze the evaluation strategies under MM Model.
7. Define the purpose of CAPM. Enumerate its assumptions.

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SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks. **(2×12=24)**

8. State Investment decision process. What factors should an investor consider while making investment decision ?

9. Explain Dow Theory. Discuss its relevance in analysis of securities.

10. Critically analyze the Harry Markowitz Optimum Portfolio Theory with suitable examples.

11. Write a note on Global Mutual Funds. Explain the relationship between trends in global market and domestic markets.

SECTION – D

12. Answer the following skill based question, carrying **twelve** marks. **(1×12=12)**

a) Calculate beta factor for the following and expected returns (using CAPM) and offer your comments. Return on Government Securities was 6%.

Year	Return from A Ltd. (%)	Return from B Ltd. (%)	Return from Market (%)
1	13	14	12
2	12	12	14
3	14	11	13
4	16	15	14

b) Data on a mutual fund is given below :

Fund Name	Mean Return	Std. Deviation	Beta
A	10%	25%	0.75
Market Index	16%	20%	1.00

The risk free rate is 9%, calculate Treynor, Sharpe and Jensen measures of Fund A.