KADI SARVA VISHWAVIDYALAYA – GANDHINAGAR
MBA SEMESTER III
END TERM EXAMINATION

Sub:- Security Analysis and Portfolio Management — **Time**: 2 ½ Hours
Date: 31-12-2013 — Max.Marks: 40

Note: This Question paper contains 5 Questions of Which Question 1(A) and Question 5 are compulsory.

Q1.(A) Why do investors add real estate in their portfolio (4)

Q1. (B) Why do companies get their shares listed on the stock exchange? (4)

OR

Q1.(B) Define New Issues Market (4)

Q2. (A)State economic and Financial meaning of Investment. In the stock market, can you differentiate the investor from speculator (4)
(B) Without adequate information the investor cannot carry out his investment programme" – Discuss (4)

Or

Q2. (A) Describe the relationship between fundamental analysis and technical analysis (4)
(B)Explain how an investor realizes interest when he purchases a zero coupon bond (4)

Q3. (A)Explain in detail the modern portfolio theory (4)
(B) Distinguish between open ended and closed ended fund (4)

Or

Q3. (A) What are the steps taken by SEBI to protect the investors in Indian Capital Market (4)
(B) Compare and Contrast the bar charting and point and figure charting (4)

Q4. (A) What are the limitations of Efficient Market Hypothesis (4)
(B) Write any two assumptions of CAPM Model (4)

Or

Q4. (A) "Industry Life cycle exhibits the status of the industry and gives the clues to entry and exit for investors"- Discuss (4)
(B)The following data is offered on Two Stock: (4)

Stock	Expected Return	Standard Deviation
P	0.15	0.30
Q	0.10	0.20

The Correlation between the two stocks is +1.0. Determine the expected return and risk on the following combination of these two stocks

	% Stock P	% Stock Q
a	70	30
b	50	50
c	30	70
d	10	90

Q5. From the given data, evaluate the portfolios using Sharpe, Treynor and Jenson's model (8)

Particulars	Portfolio A	Portfolio B	Portfolio C
Return	21%	25%	20%
Beta	0.9	1.6	1.0
Standard Deviation	5%	6%	9%
Market Return		12%	
Risk Free Rate		8%	

Seat No. ____________

Kadi Sarva Vishwavidyalaya, Gandhinagar

MBA – Semester – III – December 2014 Examination

Security Analysis and Portfolio Management (FS 322)

Date: 27/12/14 **Marks: 40** **Duration:** 2½ Hours

Instructions:

1 Make assumptions wherever necessary and state them clearly
2 Working notes must form part of your answers
3. Figures to the right indicate weightage

Q-1 (A) Explain the concept of investment. Discuss in detail the steps involved in the investment process 4

(B) Define risk. What are the different kinds of risks in corporate investment 4

OR

(B) The following data is offered on two stock: 4

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Q	0.10	0.20

The Correlation between the two stocks is +1.00

Determine the expected return and risk on the following combinations these stocks

	% Stock P	% Stock Q
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Q-2 (A) Why stock market index is importance and what are the factors affecting construction of stock market index? 4

(B) What is the difference between Primary market and secondary market? 4

OR

Q-2 (A) Explain the basis tenets of CAPM 4

(B) List and explain any four economic indicators that effect Indian Stock Market 4

Q-3 (A) What are various types of Charts in Technical Analysis. Explain the advantages and limitation of any two. 4

(B) Describe the relationship between Fundamental Analysis and Technical Analysis 4

OR

Q-3 (A) Explain various forms of efficient market hypothesis 4

(B) Many people advocate mutual fund investment for small investors. Why do you think is this necessary? 4

Q-4 (A) Explain Markowitz Theory of Portfolio Construction 4

(B) Explain the Concept of Bond Duration in detail 4

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OR

Q-4	(A)	State the formula for Capital Asset Pricing Model (CAPM). Assuming beta of 1.2,risk free return of 4% and the expected market return of 12%, calculate the required return of an investment under CAPM	4
	(B)	What is meant by portfolio management? Discuss the elements of portfolio management.	4
Q-5		Distinguish among the following performance measures namely Sharpe ratio, Treynor's measure and Jensens Alpha. Describe how each of the three performance measures is calculated and how the results differ.	8