



# Faculty of Commerce

## End Semester Examination May 2025

### CM3EB12 Investment Analysis & Portfolio Management

<b>Programme</b>	<b>:</b>	<b>B.Com. (Hons.)</b>	<b>Branch/Specialisation</b>	<b>:</b>	<b>-</b>
<b>Duration</b>	<b>:</b>	<b>3 hours</b>	<b>Maximum Marks</b>	<b>:</b>	<b>60</b>

**Note:** All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary. Notations and symbols have their usual meaning.

<b>Section 1 (Answer all question(s))</b>					<b>Marks</b>	<b>CO</b>	<b>BL</b>
<b>Q1.</b>	Investors agree to invest in high- risk investments if only-				<b>1</b>	<b>1</b>	<b>2</b>
	<input type="radio"/> There are any true speculations	<input checked="" type="radio"/> The predicted return is satisfactory for taking a risk					
	<input type="radio"/> There are no safe options except for holding cash	<input type="radio"/> The return is short					
<b>Q2.</b>	_____ risks cover the risk of market, interest rate risk and purchasing power risk.				<b>1</b>	<b>1</b>	<b>3</b>
	<input checked="" type="radio"/> Systematic	<input type="radio"/> Unsystematic risk					
	<input type="radio"/> Financial	<input type="radio"/> Business					
<b>Q3.</b>	If there is an increase in interest rates than the fixed interest rate of the corporate bond will-				<b>1</b>	<b>2</b>	<b>4</b>
	<input type="radio"/> Return to the corporation	<input checked="" type="radio"/> Decrease in value					
	<input type="radio"/> Remain unchanged	<input type="radio"/> Increase in value					
<b>Q4.</b>	The _____ market assists existing investors in selling their stocks.				<b>1</b>	<b>2</b>	<b>3</b>
	<input type="radio"/> Primary market	<input type="radio"/> Commodity market					
	<input type="radio"/> Capital market	<input checked="" type="radio"/> Secondary market					
<b>Q5.</b>	Who is called a father of fundamental analysis?				<b>1</b>	<b>3</b>	<b>3</b>
	<input checked="" type="radio"/> Benjamin Graham	<input type="radio"/> Tinbergen					
	<input type="radio"/> William	<input type="radio"/> Elliot Wave					
<b>Q6.</b>	_____ analysis refers the study of the variables that influence the future of a firm both qualitatively and quantitatively.				<b>1</b>	<b>3</b>	<b>5</b>
	<input checked="" type="radio"/> Company analysis	<input type="radio"/> Industry analysis					
	<input type="radio"/> Technical analysis	<input type="radio"/> Economic analysis					
<b>Q7.</b>	Technical analysis is useful_____.				<b>1</b>	<b>4</b>	<b>4</b>
	<input type="radio"/> To make an estimate of growth in a stock market	<input type="radio"/> To find out the market forces influencing stock market					
	<input checked="" type="radio"/> To indicate the direction of the overall market	<input type="radio"/> To analyze the economic activity of government.					
<b>Q8.</b>	In the bull market-				<b>1</b>	<b>4</b>	<b>4</b>
	<input type="radio"/> The stock prices are decreasing	<input checked="" type="radio"/> Each peak is higher than the previous peak					
	<input type="radio"/> Each peak is lower than the previous peak	<input type="radio"/> None of these					
<b>Q9.</b>	Markowitz efficient hypothesis initiated in_____.				<b>1</b>	<b>5</b>	<b>3</b>
	<input type="radio"/> 1958	<input type="radio"/> 1959					
	<input type="radio"/> 1961	<input checked="" type="radio"/> 1960					

**Q10.** The main objective of portfolio is to reduce \_\_\_\_\_ by diversification.

1 5 4

- ☐ Return
 ☒ Risk
 ☐ Uncertainty
 ☐ Percentage

**Section 2 (Answer all question(s))**

Marks CO BL

**Q11.** What do you mean by measurement of risk.

2 1 3

Rubric	Marks
What do you mean by Measurement of Risk.	2

**Q12.** What are the three different elements of investment?

3 1 4

Rubric	Marks
ANY THREE ELEMENTS	3

**Q13. (a)** Write a short note on:

5 1 4

- Market risk & Interest rate risk
- Business risk & financial risk

Rubric	Marks
As per explanation	5

(OR)

**(b)** Investing in levered companies is profitable during the boom period and avoiding it during recession is more wise. Elucidate.

Rubric	Marks
As per explanation	5

**Section 3 (Answer all question(s))**

Marks CO BL

**Q14.** What are the various forms of investment alternatives? Give a detailed account of any three.

3 2 3

Rubric	Marks
each investment alternatives carry 1 mark	3

**Q15. (a)** Explain the valuation of fixed & variable income securities in brief.

7 2 4

Rubric	Marks
Explain the valuation of fixed & variable income securities in brief.	7

(OR)

**(b)** Explain the valuation of stock return & bond return in detail.

Rubric	Marks
Explain the valuation of Stock Return & Bond Return in details.	7

**Section 4 (Answer all question(s))**

Marks CO BL

**Q16.** What do you mean by company analysis?

2 3 2

Rubric	Marks
As per explanation	2

**Q17. (a)** Define industry analysis. Explain different types of industry.

8 3 3

Rubric	Marks
Define Industry Analysis.(2 Marks) Explain different Types of industry.(6 Marks)	8

(OR)

**(b)** Explain the quantitative & qualitative factors of company analysis.

Rubric	Marks
Explain the Quantitative & qualitative factors of company analysis.	8

### Section 5 (Answer all question(s))

Marks CO BL

**Q18.** What is a point and figure chart? How is it used?

2 4 4

Rubric	Marks
description	2

**Q19. (a)** How does technical analysis differ from the fundamental analysis?

8 4 3

Rubric	Marks
differences	8

(OR)

**(b)** Explain in detail the Dow theory. How is it used to determine the direction of stock market?

Rubric	Marks
detail the Dow theory (4 Marks) determine the direction of stock market (4 Marks)	8

### Section 6 (Answer any 2 question(s))

Marks CO BL

**Q20.** What is meant by portfolio management? How is it constructed?

5 5 5

Rubric	Marks
meaning (2.5 Marks) construction (2.5 Marks)	5

**Q21.** Distinguish between Treynor and Sharpe indices of portfolio performance.

5 5 4

Rubric	Marks
differences each 1 mark	5

**Q22.** Write a short note on:

5 5 4

- Portfolio performance evaluation,
- Portfolio revision.

Rubric	Marks
Write a short note on 1)Portfolio performance evaluation, 2)Portfolio revision.	5

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