

Total No. of Questions: 6

Total No. of Printed Pages:3

Enrollment No.....



Faculty of Management Studies
End Sem (Even) Examination May-2019
MS3EF07 Investment Analysis and Portfolio
Management

Programme: BBA

Branch/Specialisation: Management /
Finance

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

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|--------|---|---|
| Q.1 i. | Most commonly used measures of risk in finance is: | 1 |
| | (a) Mean (b) Mode (c) Median (d) Variance | |
| ii. | Which of the following is not a financial investment? | 1 |
| | (a) Purchase of shares (b) Purchase of bonds | |
| | (c) Purchase of car (d) Purchase of debentures | |
| iii. | If Intrinsic Value > Market Price: | 1 |
| | (a) Buy the security (b) Sell the security | |
| | (c) No action (d) None of these | |
| iv. | Bondholders usually receive interest payments every: | 1 |
| | (a) 1 year (b) 6 months (c) 2 months (d) 2 years | |
| v. | What is Fundamental Analysis: | 1 |
| | (a) Forecast of board members of a company | |
| | (b) Forecast of derivative markets | |
| | (c) Evaluating previous year balance sheet of a company | |
| | (d) Forecast of earnings, profit / loss of a company | |
| vi. | What is the full form of EPS: | 1 |
| | (a) Earnings Per share (b) Earning Per Saver | |
| | (c) Equity Per Share (d) Entry Per Share | |
| vii. | Who is known as father of Technical Analysis? | 1 |
| | (a) Dow (b) Elliot (c) Nelson (d) Rhea | |

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- viii. The Chartist believes that charts: **1**
 (a) Spot the current trend for buying and selling
 (b) Indicates the future action to be taken
 (c) Shows the past historic movement
 (d) All of these
- ix. In the context of the Capital Asset Pricing Model (CAPM) the relevant measure of risk is: **1**
 (a) Unique risk
 (b) Beta
 (c) Standard deviation of returns
 (d) Variance of returns
- x. Markowitz model presumed generally investors are: **1**
 (a) Risk averse (b) Risk natural
 (c) Risk seekers (d) Risk moderate
- Q.2 i. What are the objectives of investment, explain any four? **4**
 ii. How risk and return are related? Explain any four points on systematic and non-systematic risk briefly. **6**
- OR iii. Calculate the expected return from the given probability distribution of returns of security A and B and give your preference? **6**
- | | | | |
|----------------------|-----|-----|-----|
| Security A Return %. | 4 | 2 | 1 |
| Security B Return %. | 4 | 3 | 3 |
| Probability | 0.5 | 0.4 | 0.1 |
- Q.3 i. Explain any two models used for valuation of equities. **4**
 ii. What are the different types of investment? Explain any six. **6**
- OR iii. (a) An investor purchased a bond for Rs. 1000, coupon rate 10% and sold it as Rs 1200. What is his holding period return? **6**
 (b) Rajesh purchased a stock for Rs 80 and he disposed it for Rs 108. During the holding period he received Rs 4 as dividend, calculate his holding period return.
- Q.4 i. Explain fundamental analysis. What are its three components? **4**
 ii. What are the different factors of economic analysis? Explain any six in brief? **6**

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- OR iii. State any three quantitative & any three qualitative factors of company analysis? **6**
- Q.5 i. Explain any four tools of technical analysis? **4**
 ii. Write any six differences between fundamental and technical analysis. **6**
- OR iii. Write short note on Dow Jones Theory and Elliot wave Theory? **6**
- Q.6 Write short note on any two: **5**
 i. Portfolio Management Process **5**
 ii. Capital Assets Pricing Model **5**
 iii. Portfolio performance evaluation **5**

Marking Scheme

MS3EF07 Investment Analysis and Portfolio Management

Q.1	i.	Most commonly used measures of risk in finance is: (d) Variance	1
	ii.	Which of the following is not a financial investment? (c) Purchase of car	1
	iii.	If Intrinsic Value > Market Price: (a) Buy the security	1
	iv.	Bondholders usually receive interest payments every: (b) 6 months	1
	v.	What is Fundamental Analysis: (d) Forecast of earnings, profit / loss of a company	1
	vi.	What is the full form of EPS: (a) Earnings Per share	1
	vii.	Who is known as father of Technical Analysis? (a) Dow	1
	viii.	The Chartist believes that charts: (d) All of these	1
	ix.	In the context of the Capital Asset Pricing Model (CAPM) the relevant measure of risk is: (b) Beta	1
	x.	Markowitz model presumed generally investors are: (a) Risk averse	1
Q.2	i.	Objectives of investment Any four 1 mark for each point (1 mark * 4)	4
	ii.	Risk and return are related Any four points on systematic risk 2 marks Any four points on non-systematic risk 2 marks	6
OR	iii.	Calculate the expected return	6
Q.3	i.	Any two models used for valuation of equities. 2 marks for each (2 marks * 2)	4
	ii.	Any six different types of investment 1 mark for each (1 mark * 6)	6

OR	iii.	(a) An investor purchased a bond for Rs. 1000, coupon rate 10% and sold it as Rs 1200. What is his holding period return 3 marks	6
		(b) Rajesh purchased a stock for Rs 80 and he disposed it for Rs 108. During the holding period he received Rs 4 as dividend, calculate his holding period return. 3 marks	
Q.4	i.	Fundamental analysis Its three components 3 marks	4
	ii.	Any six Factors of economic analysis 1 mark for each factor (1 mark * 6)	6
OR	iii.	Any three quantitative factors of company analysis 3 marks Any three qualitative factors of company analysis 3 marks	6
Q.5	i.	Any four tools of technical analysis 1 mark for each tool (1 mark * 4)	4
	ii.	Any six differences between fundamental and technical analysis. 1 mark for each point (1 mark * 6)	6
OR	iii.	Dow Jones Theory 3 marks Elliot wave Theory 3 marks	6
Q.6		Write short note on any two:	
	i.	Portfolio Management Process	5
	ii.	Capital Assets Pricing Model	5
	iii.	Portfolio performance evaluation	5
