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Question Paper Code: 6313448

M.B.A DEGREE EXAMINATIONS, NOV/ DEC 2024

Third Semester

Master of Business Administration

P23BAEF1 – SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(Regulation 2023)

Time: Three Hours

Maximum: 100 Marks

Answer ALL questions

PART – A

(10 x 2 = 20 Marks)

1. Define the financial and economic meaning of investment.
2. Identify the characteristics and objectives of an investment.
3. Recall the stages of the industry life cycle.
4. State the methods of measuring and forecasting company earnings.
5. Differentiate between fundamental analysis and technical analysis.
6. Explain the function of indicators like RSI and ROC.
7. Describe the concept of the efficient set-in portfolio construction.
8. List the components of Markowitz's model for portfolio selection.
9. What are the main features of the Capital Asset Pricing Model (CAPM)?
10. Identify the key differences between the CML and SML.

PART – B

(5 x 16 = 80 Marks)

11. (a) Classify the different types of investments and demonstrate how they can align with an investor's objectives. (16)

(OR)

- (b) Summarize the objectives of investment and how they influence the choice of investment alternatives. (16)

12. (a) Develop the role of economic analysis in stock investment decisions and its impact on forecasting techniques. (16)

(OR)

- (b) Apply the concept of industry classification and life cycle to analyze a real-world industry scenario. (16)

13. (a) Examine the concept of market efficiency, and evaluate how it impacts the use of technical analysis. (16)

(OR)

- (b) Analyze chart patterns and trend reversals, and explain how they are used to predict market movements. (16)

14. (a) Analyze the efficient set and feasible set of portfolios in the context of portfolio selection, and compare their roles. (16)

(OR)

- (b) Evaluate the use of single index and multi-index models in portfolio construction and explain their practical applications. (16)

15. (a) Critically assess the differences between the Capital Market Line (CML) and Security Market Line (SML) in the context of the Capital Asset Pricing Model (CAPM), and defend which line offers a more accurate reflection of portfolio performance for different types of investors. (16)

(OR)

- (b) Evaluate the strengths and limitations of the Arbitrage Pricing Theory (APT) compared to the Capital Asset Pricing Model (CAPM) in portfolio evaluation, and justify which model provides a more robust framework for determining asset prices under varying market conditions. (16)