

MMS/M07
PORTFOLIO MANAGEMENT
 Paper: FM-407

. 75241

Time: Three Hours]

[Maximum Marks: 70 .1

Note :- Attempt FIVE questions in all. Question No.1 is compulsory.

All questions carry equal marks.

1. Write brief explanation of:

- (i) Risk and Return
- (ii) Transaction Cost
- (iii) Beta and Standard Deviation
- (iv) Constant Ratio Plan
- (v) Active Portfolio Strategy
- (vi) Market Portfolio .
- (vii) Role of SEBI.

2x7=14

2. What is a Portfolio? How is the portfolio return and risk calculated for a two-security portfolio?

14

3. Explain the Sharpe Index Model. How does it differ from the Markowitz Model? 14

4. What do you mean by Efficient Frontier? How would you construct it for risk free and risky securities? 14 What is Arbitrage Pricing Theory? Point out the major differences between

5. Capital Asset

Pricing Model and Arbitrage Pricing Model.

14

6. The Everween Investment Company manages a stock fund consisting of four stocks with the following market values and betas.

Stock	Market Values (Rs.)	Beta
Bell	2,00,000	1.16
Sell	1,00,000	1.20
Grill	1,50,000	.80
Drill	50,000	.50

if the risk free rate of interest is 9 percent and market return is 15 percent, what is the 'I' portfolio's expected return?

14

7. What is the need for Revising Portfolios? Bring out the techniques for revising portfolios.

14

8. Discuss critically various measures for evaluating portfolio's performance.

1.4

