

MBA II Year Examination
MP-501- Security Analysis and Portfolio Management

Time: 3 Hours

Max. Marks: 80

Note: The question paper is divided into three sections A, B & C. Write Answers as per the given instructions.

Section A
(Very Short Answer Type Questions)

Note: Answers all 8 questions. As per the nature of the questions you delimit your answer in one sentence up to 50 words. Each question carries equal marks. (Marks 2x8=16)

1. Define Investment.
2. Define Self Liquidating FDR.
3. State the formula of P/E Ratio.
4. What do you understand by money laundering?
5. Name the ratios used to analyse the short term stability of the company.
6. Define Portfolio.
7. What do you mean by portfolio revision?
8. What do you mean by NAV?
9. Enlist the different types of risks associated with investment.
10. Give two motives of saving.
11. Define warrant.
12. Define beta.
13. What is Dow Theory?
14. What is diversification?
15. What is an Investment company?
16. Define mutual fund.
17. What do you mean by negotiable financial instruments?
18. Define deep discount bonds.
19. What is OTCEI.
20. What do you mean by fundamental analysis?
21. What are candlestick charts?
22. Who can be a portfolio manager?
23. Define Unit Investment Trusts.
24. What do you understand by AMC?

Section B

(Short Answer Type Questions)

Answer any 4 questions. Each answer should not exceed 100 words. Each question carries 08 marks. (Marks 8x4 = 32)

1. Differentiate between Investment and Speculation.
2. Differentiate between debentures and bonds.
3. Mr. Kapil has an irredeemable preference share of Rs. 1,000. He receives an annual dividend of Rs. 100 annually. What will be its value if the required rate of return is 10%.
4. Discuss the importance of stock market indices.
5. Discuss the classification of unsystematic risk.
6. Discuss the relationship between risk and return.
7. Write a short note on the constraints in Portfolio Revision.
8. Discuss the procedure to calculate expected rate of return of a portfolio.
9. Explain the following:
 - a) Features of Investment
 - b) Types of Investors
10. Explain the various types of Investment.
11. Discuss the features of Stock Exchange.
12. Write a short note on The Depositories Act, 1996.
13. Briefly explain the non financial parameters used for company analysis.
14. Differentiate between Security Market Line and Capital Market Line.
15. Differentiate between active and passive portfolio management.
16. Differentiate between open ended and close ended funds.
17. Discuss any five postal services in India.
18. Discuss the relationship between the required rate of return and coupon interest rate.
19. State the minimum listing requirements for new companies.
20. Differentiate between systematic risk and unsystematic risk.
21. State the assumptions underlying technical analysis.
22. Explain the following:
 - a) Assumptions of Sharpe Index Model
 - b) Efficient Frontier
23. Write a short note on the growth of mutual funds in India.
24. Mention the SEBI guidelines for portfolio managers.

Section C

(Long Answer Type Questions)

Answer any 2 questions. Each answer should not exceed 800 words. Each question carries 16 marks. (Marks 2x16=32)

1. Discuss in detail the various reasons for the emerging popularity of investment in today's world.
2. What do you understand by valuation of equity shares? Describe the various equity valuation models.
3. What do you mean by Stock Index? Illustrate the commonly used methods for constructing stock indices?
4. What do you understand by technical analysis? Briefly explain the various tools used for technical analysis.
5. Explain in detail the Arbitrage Pricing Theory. Also discuss how does it differ from Capital Asset Pricing Model?
6. Describe in detail the strategic asset allocation and tactical asset allocation?
7. Discuss the various provisions regulating the Asset Management Companies as per the SEBI (Mutual Funds) Regulations, 1996.
8. Explain in brief the different ratios for analyzing the financial strength of a company. How do these ratios help in selecting shares?
9. Explain the various investment alternatives available to an investor for managing risks and getting assured returns.
10. Explain the concept of securities market. Also discuss the types of securities market prevailing in India.
11. Discuss in detail the functions of SEBI as prescribed by the Securities and Exchange Board of India Act, 1992.
12. What is Portfolio Management? Discuss the need and objectives of portfolio management with appropriate examples.
13. Briefly describe the following portfolio performance measures and explain how they are used:
 - a) Sharpe's Ratio
 - b) Treynor's Ratio

14. Discuss the various advantages offered by the Investment companies. Also explain the different types of Investment companies in India.
15. Explain the different types of mutual funds in detail.
16. Describe the Porter's Five Forces model for Industry Analysis.
17. Discuss the linkage between savings and economic growth. Also explain the various components of savings.
18. "Stock Exchanges play an important role in the economic growth and development of the economy." Explain using appropriate examples.
19. Define Industry analysis. Explain the factors which are considered for analyzing a particular industry.
20. In terms of the Markowitz portfolio model, explain how an investor identifies his/her optimal portfolio. What specific information does an investor need to identify optimal portfolio?
21. Describe the major factors that a portfolio manager should consider before designing an investment strategy. What types of decisions can a manager make to achieve these goals?
22. "Mutual Funds are one of the best investment options available to an investor." Discuss the importance and advantages offered by mutual funds investment.
23. Which type of analysis is better: Fundamental analysis or Technical analysis? Discuss the criticisms of technical analysis.
24. Discuss in detail the main features of the Bombay stock exchange and National stock exchange.