

MP-501

December - Examination 2019

**Master of Business Administration - II Year
Examination****Security Analysis and Portfolio Management
Paper - MP-501****Time : 3 Hours]****[Max. Marks :- 80**

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

Section - A**8 × 2 = 16****(Very Short Answer Questions)**

Note: Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum upto 30 words. Each question carries 2 marks.

1.
 - i. Explain the concept of return.
 - ii. What is primary market?
 - iii. What do you mean by fundamental analysis?
 - iv. List out the names of operating Stock Exchange.
 - v. List out the names of stock indices.
 - vi. What is portfolio evaluation?
 - vii. What is company analysis?
 - viii. Define unsystematic Risk.

Section - B**4 × 8 = 32****(Short Answer Questions)**

Note: Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 8 marks.

2. Explain the concept of investment. What are the various sources available as alternative investment for investors? Explain.
3. Explain how will you measure different type of risk.
4. Discuss SEBI as an effective regulator of capital market.
5. Critically examine the features of capital Assets Pricing Model.
6. What do you mean by stock exchange? Give characteristics of it.
7. What is the need of portfolio management? Explain.
8. Differentiate between investment and speculation.
9. What are the important points that you will consider while doing fundamental analysis? Discuss.

Section - C**2 × 16 = 32****(Long Answer Questions)**

Note: Answer **any two** questions. You have to delimit your each answer maximum upto 500 words. Each question carries 16 marks.

10. The aggregate average R_F and R_M for 3 year period are 10% and 18% respectively. The result of four portfolios during the same period are summarized as follows:

Portfolio	Avg. return (%)	Beta
X_1	18	0.90
X_2	18	1.12
Y_1	24	1.50
Y_2	16	0.95

Using capital assets pricing model compute the expected return for each portfolio and compare actual and expected return. Which portfolio has performed the best.

11. Explain the sharp index model. How does it differ from markowitz model.
12. Explain the concept of Risk and Return for single security and portfolio with suitable example.
13. The probability distribution of expected future return is as follows:

Probability	Return (Share)	
	X	Y
0.1	(16)	(18)
0.2	2	12
0.4	8	18
0.2	12	32
0.1	20	40

- a. Compute the standard deviation of expected return of each share. and
- b. Coefficient of variation which share is more risky? Why?
