

7. What are the different types of risk ? Explain how they are diversified.
8. “Economic–Industry–Company (EIC) framework provides a useful approach in equity investment decision.” Explain and illustrate.
9. How is technical analysis different from fundamental analysis ? Explain.

MP–501

December – Examination 2021

Master of Business Administration (II Year) Examination

Security Analysis and Portfolio Management Paper : MP-501

Time : 1½ Hours]

[Maximum Marks : 80

Note :- The question paper is divided into two Sections A and B. Write answers as per the given instructions.

Section–A

4×4=16

(Very Short Answer Type Questions)

Note :- Answer any *four* questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries 4 marks.

1. (i) What is Investment ?
- (ii) What do you mean by Fixed Income Securities ?
- (iii) Explain surplus spending.
- (iv) What do you mean by Book value ?
- (v) What do you mean by Money Laundering ?
- (vi) What do you mean by Systematic risk ?
- (vii) What do you mean by Price Earnings Ratio ?
- (viii) What is Portfolio Management ?

Section-B **4×16=64**

(Short Answer Type Questions)

Note :- Answer any *four* questions. Each answer should not exceed **200** words. Each question carries 16 marks.

2. “Investment is a well-grounded and carefully planned speculation.” In the light of the above statement, explain and differentiate between ‘Investment’ and ‘Speculation’.

3. “A small investor should enter the stock market through the Mutual fund route.” Do you agree with this statement ? Discuss.
4. A company decides that it will not pay any dividends for 20 years. After that time it is expected that the company could pay dividend of ₹ 15 per share indefinitely. However, the company at present could pay ₹ 3 per share. The required rate of this company’s shareholder is 10 percent. What is the loss to each shareholder as a result of the policy of the company ? Calculate the value of the equity share.
5. What is the difference between a primary and secondary market ? Are they related in any way ? Explain.
6. Why do stock market indices are required ? How are they constructed ? Explain the difficulties in index construction.