

Code No: MB1335/R13

MBA III Semester Regular/ Supplementary Examinations, November-2016

INVESTMENT MANAGEMENT

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

1. a Discuss Systematic risk and un-systematic risk in portfolio management. 6 M
b Describe the relationship between fundamental analysis and technical analysis. 6 M
2. a Explain detailed procedure of valuation of debt securities. 6 M
b ABC Ltd. paid its first cash dividend Rs. 2.50 and growth rate is 20% for next 3 years and thereafter it will grow at 10%. Return is 15% find out value of share. 6 M
3. a. Explain the SEBI regulations for primary market operations. 6 M
b. Discuss the objectives of Investment decisions? 6M
4. a Explain the Arbitrage Pricing Theory (APT) with assumptions. 6 M
b Explain in the detailed procedure of National Stock Exchange. 6 M
Discuss the Markowitz and Shorpe's portfolio construction theories
5. a What is meant by Portfolio Revision? And explain the criteria for revision of portfolio. 6 M
b What is Mutual Fund? And explain different types of mutual funds schemes. 6 M
6. a What is Bond? And explain valuation of deep discount bonds. 6 M
b Discuss about the Jensen's and Sharpe's performance index models. 6 M
7. Discuss the Capital Asset Pricing Model (CAPM) and its application in portfolio selection. 12M



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8. 1. **CASE STUDY:**

12M

The following parameters are available for the five mutual funds.

<i>Fund</i>	<i>P</i>	<i>Q</i>	<i>R</i>	<i>S</i>	<i>M</i>
Expected return %	15	18	17	16	20
Beta	0.5	0.8	0.7	0.6	1.0

- Calculate Treynor's performance index and rank the funds on the assumption that risk free rate (M) is 8% and alternatively that T-5%.
- What should be the risk free rate (M) such that funds P & Q will have the same Treynor's performance index?

