

MBA III Semester Supplementary Examinations, March-2021
SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time: 3 Hours

Max. Marks: 60

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

1. a Explain the various Steps in Investment Process 8M
b What are the various types of orders? 4M
2. a The market value of Rs.1000 par value bond, carrying a coupon rate of 12 per cent and maturing in seven years is, Rs.750. What is the yield to maturity on this bond? 8M
b Compare and contrast holding period return and YTM. 4M
3. a What factors would you look at while studying the characteristics of an industry? Discuss. 6M
b Explain the three forms of market efficiency. 6M
4. a The estimates of the standard deviations and correlation co-efficient for three stocks are given below 8M
- | Stock | Standard Deviation | Correlation with Stock | | |
|-------|--------------------|------------------------|-------|------|
| | | A | B | C |
| A | 32 | 1.00 | -0.80 | 0.40 |
| B | 26 | -0.80 | 1.00 | 0.65 |
| C | 18 | 0.40 | 0.65 | 1.00 |
- If a portfolio is constructed with 15% of stock A, 50% of stock B and 35% of stock c, what is the portfolios standard deviation?
- b Compare and contrast Capital market line and security market line. 4M
5. a Explain the types of Mutual funds. 6M
b Distinguish between Systematic and unsystematic risks 6M
6. a What is the impact of growth on price, dividend yield, capital gains yield and price earnings ratio? 6M
b What is Macaulay's Duration? 6M

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7. a Explain the various patterns used in the analyzing the trends in technical analysis. 8M
b What are Primary and secondary trends in Dow theory's? 4M
8. Consider the following information for three mutual funds A, B and C and the market. 12M

	Market Return (%)	Beta	Standard Deviation (%)
A	1.1	12	18
B	0.9	10	15
C	1.2	13	20
Market Index	1.00	11	17

The mean risk-free rate was 6 percent. Calculate the Treynor measure, Sharpe measure and Jensen measure for the three mutual funds and the market index.
