Roll No						

Total No. of Pages : 02

Total No. of Questions : 10

MBA (Sem.-3)

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Subject Code : MBA 911-18

M.Code: 76896

Date of Examination : 21-12-22

Time: 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

- 1. SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.
- 2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
- 3. SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.

SECTION-A

Write briefly :

- 1. a) Systematic Risk
 - b) Short Selling
 - c) Price / Earnings Ratio
 - d) Index of Industrial Production
 - e) Relative Strength Index
 - f) Resistance
 - g) Arbitrage Pricing Theory
 - h) Put Options.

SECTION-B

UNIT-I

2. What do you mean by investment? How investment can be differentiated from speculation and gambling?

3. *'Financial markets connect the surplus and deficit units in the economy and channelize idle financial resources towards productive investment avenues'*. Elucidate with suitable examples.

UNIT-II

- 4. What do you mean by fundamental analysis? Write a detailed note on various factors that can be considered for economic and industrial analysis.
- 5. What do you mean by value investing? What is the process of value investing? Also briefly discuss the various challenges faced by the value investors while conducting analysis.

UNIT-III

- 6. Define Dow Theory. Discuss in detail the basic assumptions of Dow Theory. Also discuss the implications of Dow Theory in technical analysis.
- 7. What is portfolio management? Discuss in detail the process of portfolio management. Also discuss various variables to be considered while constructing a portfolio.

UNIT-IV

- 8. What do you mean by efficient frontier? Write a detailed note on the basic assumptions and operation of Markowitz model.
- 9. What do you mean by financial derivative contracts? Briefly discuss the various participants in the derivatives market. Also briefly discuss the functions of derivative contracts.

SECTION-C

Case Study:

- 10. You are given the following forecasts for the states of the economy and conditional returns of shares X, Y and the market. You are required to calculate:
 - a) the ex-ante betas for X and Y.
 - b) If the risk free rate is 4%, calculate the ex-ante alphas for stocks X and Y.
 - c) Are these stocks under or overpriced?

State of Feenemy	Conditional Returns (%)								
State of Economy	Probability	X	Y	Market					
Recession (High Interest)	0.20	-13	-4	-9					
Recession (Low Interest)	0.15	16	-2	8					
Boom (High Interest)	0.40	32	21	16					
Boom (Low Interest)	0.25	12	20	20					

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.