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Total No. of Pages: 02

Total No. of Questions: 10

Master of Commerce (Sem. – 4)

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Subject Code: MCOP402-18

M Code: 77940

Date of Examination: 15-12-2022

Time: 3 Hrs.

Max. Marks: 60

INSTRUCTIONS TO CANDIDATES:

1. SECTION-A is COMPULSORY consisting of EIGHT questions carrying TWO marks each.
2. SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV. Student has to attempt any ONE question from each Sub-section carrying EIGHT marks each.
3. SECTION-C is COMPULSORY, consists of a Case Study carrying TWELVE marks.

SECTION-A

1. Write short note on the following:

- a) Relative strength index
- b) Earnings price ratio
- c) Total assets turnover ratio
- d) Liquidity risk
- e) Market risk
- f) SML
- g) Semi strong form of EMH
- h) Yield to Maturity

SECTION-B

UNIT-I

2. What are various forms of investments? Write a note on equity investment.
3. Define a public issue and outline the process of issuing shares to public. What other types of issues are commonly found in capital?

UNIT-II

4. Give an account of factors determining the future performance of a company.
5. Explain the Dow theory. How can an investor use the knowledge of this theory for his investment decision-making?

UNIT-III

6. What do you mean by portfolio? Discuss different portfolio revision techniques.
7. Discuss the three levels of the efficient market hypothesis: weak, semi-strong, and strong What is the criticism of this hypothesis?

UNIT-IV

8. What are systematic and unsystematic risks? Discuss these in terms of security risk and portfolio risk.
9. How is security market line derived? How can we find underpriced securities using it?

SECTION-C

10. Here are the returns and standard deviations of four investments:

ReturnStandard deviation

T-Bills	6%	0%
Stock P	10	14
Stock Q	14.5	28
Stock R	21	26

Calculate the standard deviations of following portfolios.

- a) 50 per cent in Treasury bills, 50 per cent in stock P.
- b) 50 percent each in Q and R, assuming the shares have
 - Perfect positive correlation
 - Perfect negative correlation
 - No correlation
- c) Plot figure for Q and R, assuming a correlation coefficient of .5.
- d) Stock Q has a lower return than R but a higher standard deviation. Does that mean that Q's price is too high, or that R's price is too low?

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