



PAV-161100020308

Seat No. _____

M. B. A. (Sem. III) (CBCS) Examination
October / November - 2018
Security Analysis & Portfolio Management

Time : 3 Hours]

[Total Marks : 70

Instruction : All questions carry equal marks.

- 1 (a) Define financial investment. What are the characteristics of investment ?
- (b) Discuss investment risk.
- 2 (a) Discuss in detail listing process.
- (b) Discuss the role of Depository in settlement.

OR

- 2 (1) If the 9% preference shares of ABC Ltd. are sold for INR 72, find out current yield.
- (2) What is the value of preference (FV 100) share where dividend rate is 18% ? The appropriate discount rate for this kind of security is 15%.
- (3) An investor is considering the purchase of following debenture. Maturity 3 years, coupon rate 11%, face value – INR 100. If the investor requires YTM of 13%, what the fair market price ?
- 3 Discuss basic assumptions of fundamental analysis. What qualitative information is useful for company analysis ?

OR

- 3 Describe optimal portfolio through Markowitz Model.
- 4 How are markets classified on the basis of information efficiency ? Discuss all forms in detail.

OR

- 4 (a) The expected market returns is 15.50% and the risk premium is 7.5%. Find out appropriate required rates of returns for the following securities.

<i>Security</i>	<i>Beta</i>
A	0.75
B	0.87
C	1.20

- (b) Mr. X, an investor is considering the purchases of a stock that has a beta coefficient of 0.75. Expected market return to be 0.12 while T-bill yield 0.08. What rate should be expected on this stock according to the SML ?

- 5 Explain terms : (any seven)

- (1) Arbitrate Price Theory
- (2) Beta
- (3) Capital Market Line
- (4) Dow Theory
- (5) Efficient Frontier
- (6) Industry Risk
- (7) Global Depository Receipts
- (8) Portfolio Beta
- (9) Speculation
- (10) Value Investing.