Printed Page:-		ge:- Subject	Subject Code:- BMBAFM0311			
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N	IOID/	DA INSTITUTE OF ENGINEERING AND TE	CHNOLOGY, GREATE	R NOIDA		
		(An Autonomous Institute Affiliated t	o AKIU, Lucknow)			
		SEM: III - THEORY EXAMINATION	ON (20 20)			
		Subject: Security Analysis and Port	folio Management			
Time	e: 3 H	Hours	Ma	ax. Marks: 100		
Genera	al Inst	structions:				
IMP: N	Verify	fy that you have received the question paper wit	h the correct course, code	<i>e</i> , branch etc.		
1. This	s Que.	estion paper comprises of three Sections -A, B, $(MCO's) \in Subjective type questions$	& C. It consists of Multip	le Choice		
2 May	ons (1 ximun	$(M \subset \mathcal{G} \ s) \propto Subjective type questions.$	ht -hand side of each ave	stion		
3. Illus	strate	e your answers with neat sketches wherever ned	cessary.	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
4. Assi	ume s	suitable data if necessary.				
5. Prej	ferabl	bly, write the answers in sequential order.				
6. No s	sheet	t should be left blank. Any written material afte	r a blank sheet will not be)		
evalua	ited/cl	checked.				
<u>SECT</u>	ION-	<u>N-A</u>		20		
1. Atte	empt a	all parts:-				
1-a.	Μ	Mention the year of establishment of Nifty . (CO	D1,K2)	1		
	(a)	1952				
	(b)	1965				
	(c)	1991				
	(d)	1996				
1-b.	In	Investors agree to invest in high-risk investmen	ts if only: (CO1,K2)	1		
	(a)	There are any true speculations				
	(b)	The predicted return is satisfactory for taking	g a risk			
	(c)	There are no safe options except for holding	cash			
	(d)	The return is short				
1-c.	W	When the price of the stock is up and closes abo	ove the opening trade, the	candle 1		
	st	stick will usually be and(0	CO2,K2)			
	(a)	red and unclear				
	(b)	white and clear				
	(c)	black and clear				
	(d)	black and unclear				
1 - d.	M 	Market price breaking through the moving avera	age from below is a	1		

Bullish (a)

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- (b) Bearish
- (c) Flat
- (d) None of the above
- In the context of the Capital Asset Pricing Model (CAPM) the relevant risk is: 1-e. (CO3, K2)

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- unique risk. (a)
- market risk (b)
- standard deviation of returns (c)
- (d) variance of returns
- 1-f. Consider the CAPM. The expected return on the market is 18%. The expected return on a stock with a beta of 1.2 is 20%. What is the risk-free rate? (CO3,K2)
 - (a) 0.02
 - 0.06 (b)
 - 0.08 (c)
 - (d) 0.12
- 1-g. Portfolio returns are equal to ______ of returns of securities in the portfolio. (CO4,K3) 3C-202
 - (a) simple mean
 - (b) weighted mean
 - median (c)
 - (d) mode
- Standard deviation measures the: (CO4,K3) 1-h.
 - The gain on the investment (a)
 - the holding period (b)
 - Risk (c)
 - amount of dividend (d)
- step involves determining periodically how the portfolio has performed over 1-i. 1 the review period. (CO5,K4)
 - Portfolio performance evaluation (a)
 - Portfolio revision (b)
 - Portfolio construction (c)
 - Performing security analysis (d)
- The final phase in Portfolio Management is of (CO5,K4) 1-j.
 - Security Analysis (a)
 - Portfolio Revision (b)
 - (c) Portfolio Evaluation
 - Portfolio Execution (d)
- 2. Attempt all parts:-

2.a.	Describe market order. (CO1,K2)					2	
2.b.	Discuss company analysis in EIC model. (CO2,K2)						
2.c.	The required rate on a particular stock is 16% according to the Capital Assets Pricing Model. The stock's beta is 1.5. Find out the risk-free rate if the expected return on the market portfolio equals 12%. (CO3,K2)						
2.d.	Mention the various ways to identify the optimal portfolio. (CO4,K3)						
2.e.	Explain the meaning	of Alph	a in Je	nson n	nethod. (CO5,K4)	2	
<u>SECTIO</u>	<u>N-B</u>					30	
3. Answe	r any <u>five</u> of the follow	ving:-					
3-а.	Explain the situation	of bull	& bear	in the	capital market (CO1,K2)	6	
3-b.	Explain the functions	of prin	nary ma	arket. (CO1,K2)	6	
3-с.	Briefly explain DOW	theory	create	d by C	harles Dow.(CO2,K2)	6	
3-d.	Discuss the efficient i	narket	hypoth	esis. (O	CO2,K2)	6	
3.e.	As per APT model, st (CO3,K2)	ate the	metho	d of ca	lculation of expected return on stock.	6	
3.f.	Stocks A, B and C dis	splay th	e follo	wing p	arameters.	6	
		Α	В	С			
	Expected return	15	20	25	024		
	Expected Variance	9	16	4			
	If an Investor has to c (CO4,K3)	hoose t	wo sec	curities	from this, which should he select.		
3.g.	Calculate Treynor ratis 20% and risk free r	io of a l ate of r	Market eturn is	index 5 7% ((whose return is 15%, standard deviation CO5,K4)	6	
SECTIO	<u>N-C</u>	\mathbf{A}				50	
4. Answe	r any <u>one</u> of the follow	ving:-					
4-a.	"Investment is well grounded and carefully planned speculation." In the light of 10 this statement differentiate investment and speculation. (CO1,K2)						
4-b.	Explain the role of the stock exchange and its functions.(CO1,K2) 10						
5. Answe	r any <u>one</u> of the follow	ving:-					
5-a.	A technical analyst places too much of emphasis on the past and present levels of prices and demand and supply. Critically examine.(CO2,K2)						
5-b.	Explain the DOW theory and Elliott wave theory with the help of 10 diagrams.(CO2,K2)						
6. Answe	r any <u>one</u> of the follow	ving:-					
6-a.	Describe risk adjusted return measures. Give two examples. (CO3,K2) 10					10	
6-b.	Explain the concept of valuation of securities. Why is it important for an investor					10	
	to understand valuation? (CO3,K3)						

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- 7. Answer any one of the following:-
- 7-a. Return of Security L and Security K for the past five years is given below:

37	Security L	Security K		
rear	Return (%)	Return (%)		
2019	10	11		
2020	04	-6		
2021	05	13		
2022	11	8		
2023	15	14		

Calculate the risk and return of portfolio consisting of the above two securities in equal weights. (CO4,K3))

7-b. The information is available with respect to Krishna Ltd.:

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Year	Krishna Ltd., Average Share Price Rs.	Dividend per share Rs.	Average Market Index	Dividend Yield	Return on Government Securities
2020	245	20	2013	4%	7%
2021	253	22	2130	5%	6%
2022	310	25	2350	6%	6%
2023	330	30	2580	7%	6%

Compute the Beta value of Krishna Ltd. at the end of 2023 and state your observation. (CO4,K3)

- 8. Answer any <u>one</u> of the following:-
- 8-a. Portfolio evaluation essentially comprises two functions, performance 10 measurement and performance evaluation. Justify.(CO5,K4)
- 8-b. The actual results of three portfolios and the market index relating to the past five 10 year are given below:

Portfolio	Average return on portfolio	Portfolio beta	Standard deviation
A	18	1.4	0.30
В	12	0.9	0.35
С	16	1.1	0.40
Market index	14	1.0	0.25

The risk-free rate of return is 8%. Rank the performance of the portfolios using the Sharpe and Treynor measures of performance evaluation. (CO5,K4)

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