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Subject Code:- BMBAFM0311

Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA

SEM: III - THEORY EXAMINATION (2025 - 2026)

Subject: Security Analysis and Portfolio Management

Time: 3 Hours **Max. Marks: 100**

General Instructions:

IMP: *Verify that you have received the question paper with the correct course, code, branch etc.*

1. *This Question paper comprises of* ***three Sections -A, B, & C.*** *It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.*

2. *Maximum marks for each question are indicated on right -hand side of each question.*

3. *Illustrate your answers with neat sketches wherever necessary.*

4. *Assume suitable data if necessary.*

5. *Preferably, write the answers in sequential order.*

6. *No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.*

SECTION-A 20

1. Attempt all parts:-

1-a. The regulatory agency which oversees the functioning of stock markets, which is located in Mumbai is: (CO1,K1) 1

(a) NSE
(b) BSE
(c) SEBI
(d) OTCEI

1-b. Investment refers to committing funds for future benefit (CO1, K1) 1

(a) Risk
(b) Return
(c) Loss
(d) Consumption

1-c. Technical analysis is based on historical price and (CO2, K1) 1

(a) Financial statements
(b) Price & volume
(c) GDP Data
(d) Annual Report

1-d. A ______ indicates the general direction in which a security price is headed.(CO2,K2) 1

(a) trend
(b) ratio
(c) price
(d) Liquidity

1-e. The main objective of portfolio is to reduce _______ by diversification.(CO3,K1) 1

(a) Return
(b) Risk
(c) Uncertainty
(d) Percentage

1-f. The coupon rate is also called __________.(CO3,K1) 1

(a) Market interest rate.
(b) Current yield
(c) Stated interest rate.
(d) Yield to maturity.

1-g. All other things remaining the same, diversification is most effective when securities returns are: (CO4,K3) 1

(a) positively correlated
(b) uncorrelated
(c) high
(d) negatively correlated

1-h. reward to volatility ratio is (CO4,K2) 1

(a) Jensen measure
(b) Treynor measure
(c) Sharpe measure
(d) none of these

1-i. The final phase in Portfolio Management is of (CO5,K4) 1

(a) Security Analysis
(b) Portfolio Revision
(c) Portfolio Evaluation
(d) Portfolio Execution

1-j. Consider the Sharpe and Treynor performance measures. When a pension fund is large and well diversified in total and it has many managers, the __________ measure is better for evaluating individual managers while the __________ measure is better for evaluating the manager of a small fund with only one manager responsible for all investments that may not be fully diversified.(CO5,K2) 1

(a) Sharpe; Sharpe
(b) Sharpe; Treynor
(c) Treynor; Sharpe
(d) Treynor; Treynor

2. Attempt all parts:-

2.a. Define investment and its primary objective (CO1, K1) 2

2.b. Discuss the weak form hypothesis of EMH (CO2, K2) 2

2.c. 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%. Mention the risk-free rate.(CO3,K4) 2

2.d. List the limitations of markowitz model of portfolio selection. (CO4,K1) 2

2.e.	Explain the advantages of mutual fund.(CO5,K2)	2
SECTION-B		30

3. Attempt all parts:-

3.a. Answer any <u>one</u> of the following:-

3.a.(i)	Discuss in brief any five macroeconomic factors influencing investments in India. (CO1,K2)	6
3.a.(ii)	Distinguish between investments and speculation.(CO1,K4)	6

3.b. Answer any one of the following:-

3.b.(i)	Enumerate various ratios to be analysed for a company in EIC model.(CO2,K1)	6
3.b.(ii)	Explain efficient market hypothesis.(CO2,K2)	6

3.c. Answer any one of the following:-

3.c.(i)	Define intrinsic value under equity valuation (CO3,K1)	6
3.c.(ii)	Differentiate between coupon rate and current yield in bond valuation.(CO3,K4)	6

3.d. Answer any one of the following:-

3.d.(i)	The actual return realised from a fund Is 12% with beta coefficient Being 0.7. the market return is 15% and the risk free rate is 7% calculate the expected return and the differential return.(CO4,K4)	6
3.d.(ii)	Explain the correlation method for calculation of beta.(CO4,K2)	6

3.e. Answer any one of the following:-

3.e.(i)	Define the Mutual Fund? Explain the different types of Mutual Funds in brief.(CO5,K2)	6
3.e.(ii)	Explain the concept of portfolio revision and discuss the factors that necessitate portfolio revision. (CO5, K2)	6

SECTION-C		50

4. Answer any <u>one</u> of the following:-

4-a.	Evaluate the regulatory framework of equity markets with emphasis on SEBI regulations, investor protection norms, and market surveillance systems (CO1,K4)	10
4-b.	Explain the characteristics of investment. And also Discuss Investment Avenues in details.(CO1,K2)	10

5. Answer any <u>one</u> of the following:-

5-a.	Distinguish between Fundamental Analysis and Technical Analysis. (CO2,K2)	10
5-b.	Application of the EIC (Economy–Industry–Company) framework by selecting a specific sector and integrating economic, industry, and company factors into an investment justification (CO2,K5)	10

6. Answer any <u>one</u> of the following:-

6-a.	A security pays a dividend of Rs 4.75 end sells currently at Rs. 93. the security is expected to sell at Rs 99 at the end of the year. the security has a beta of 1.25 and the risk free rate is 4%. The expected return on market index is 14% using CAPM model assess whether the security is correctly priced.(CO3,K3)	10
6-b.	A zero coupon bond whose face value is 1000 with maturity period of 5 years is issued at Rs 750. Calculate spot interest rate.(CO3,K3)	10

7. Answer any <u>one</u> of the following:-

7-a. the expected return of last five year are provided below .compute expected risk on these return.(CO4,K3) 10

year	Return
1	50
2	70
3	80
4	100
5	90

7-b. Two portfolios have the same expected return, but one has higher variance than the other. Apply portfolio risk concepts to justify which portfolio should be selected and why.(CO4, K4) 10

8. Answer any <u>one</u> of the following:-

8-a. Broadly explain the portfolio evaluation and explain the factors of portfolio evaluation.(CO5,K2) 10

8-b. Apply the characteristics of open-ended and close-ended mutual fund schemes to analyze their suitability for different categories of investors under varying market conditions.(CO5, K4) 10