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Printed Page:-4 **Subject Code:- BMBAMF0312**

Roll. No:

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)
MBA MF
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. Which constraint affects investment decision-making. (CO1, K2) 1

(a) Return
(b) Liquidity
(c) Tax
(d) Risk

1-b. Savings converted into investment which aid _____. (CO1, K1) 1

(a) Inflation
(b) Growth
(c) Deflation
(d) Recession

1-c. Systematic risk affects the _____. (CO2, K1) 1

(a) Firm only
(b) Industry only
(c) Entire Market
(d) Portfolio

1-d. $\beta = 1$ indicates ____ risk as market. (CO2, K1) 1

(a) Lower
(b) Higher
(c) Same
(d) Zero

1-e. EIC approach represents _____ analysis. (CO3, K1) 1

(a) Equity–Income–Cost
(b) Economic–Industry–Company
(c) Efficiency–Index–Company
(d) Earnings–Interest–Capital

1-f. RSI value below 30 indicates ___ condition. (CO3, K1) 1

(a) Overbought
(b) Neutral
(c) Oversold
(d) Stable

1-g. Portfolio refers to a _____ of securities. (CO4, K1) 1

(a) Single asset
(b) Combination
(c) Bond only
(d) Equity only

1-h. Capital Market Line includes risk-free asset. (CO4, K1) 1

(a) No
(b) Sometimes
(c) Yes
(d) Rarely

1-i. Higher Sharpe Ratio indicates ____ performance. (CO5, K1) 1

(a) Poor
(b) Average
(c) Better
(d) Worse

1-j. Performance evaluation assists investors in portfolio selection. (CO5, K1) 1

(a) No
(b) Rarely
(c) Yes
(d) Irrelevant

2. Attempt all parts:-

2.a. Define the concept of investment and state its economic significance. (CO1, K1) 2

2.b. Define risk in the context of investment decisions. (CO2, K1) 2

2.c. Explain the purpose of economic analysis in stock selection. (CO3, K2) 2

2.d. State the concept of efficient frontier. (CO4, K2) 2

2.e. Explain the significance of risk-adjusted return in portfolio evaluation. (CO5, K2) 2

SECTION-B 30

3. Attempt all parts:-

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

3.a.(i) Explain different investment alternatives available to Indian investors. (CO1, K2) 6

3.a.(ii) Explain the complete investment process in a systematic manner. (CO1, K2) 6

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

3.b.(i)	Explain the concept of risk and classify it into systematic and unsystematic risk. (CO2, K2)	6
3.b.(ii)	Explain the concept of return and its importance in investment analysis. (CO2, K2)	6

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

3.c.(i)	Examine the patterns of Elliott Wave theory for a given price movement and suggest investment action. (CO3, K4)	6
3.c.(ii)	Analyze the significance of weak-form EMH for technical traders. (CO3, K3)	6

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

3.d.(i)	Given a portfolio with Security X (Weight=0.6, Return=12%) and Security Y (Weight=0.4, Return=18%), calculate the expected portfolio return. (CO4, K3)	6
3.d.(ii)	Explain Arbitrage Pricing Theory with suitable illustration. (CO4, K3)	6

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

3.e.(i)	Compute Jensen's Alpha for a portfolio with return = 15%, beta = 1.1, risk-free rate = 6%, market return = 12%. Interpret predictive ability. (CO5, K3)	6
3.e.(ii)	Interpret the performance of a portfolio having negative Jensen's Alpha with numerical support. (CO5, K4)	6

SECTION-C 50

4. Answer any one of the following:-

4-a.	Critically analyze investment, speculation, and gambling highlighting their relevance in financial markets. (CO1, K4)	10
4-b.	Examine the influence of macroeconomic variables on investment decisions in India. (CO1, K4)	10

5. Answer any one of the following:-

5-a.	Calculate and compare the coefficient of variation of two securities A and B given the following information: Security A has an expected return of 12% and standard deviation of 6%; Security B has an expected return of 15% and standard deviation of 10%. Recommend the better investment based on risk–return trade-off. (CO2, K4)	10
5-b.	Analyze the trade-off between risk and return using suitable investment examples. (CO2, K4)	10

6. Answer any one of the following:-

6-a.	Analyze and explain different Elliott wave patterns. Also explain the entry and exit points as per Elliott wave pattern for a stock. (CO3, K4)	10
6-b.	Calculate expected return and standard deviation of a portfolio of 2 stocks using historical price data. Interpret risk-return profile. (CO3, K4)	10

Month	Stock A Price (₹)	Stock B Price (₹)
Jan	100	200
Feb	102	198
Mar	105	202
Apr	103	205
May	108	210

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Jun	110	215

7. Answer any one of the following:-

7-a. Evaluate the effectiveness of diversification in reducing portfolio risk. (CO4, K5) 10

7-b. Portfolio return=15%, SD=11%, Risk-free rate=6%; another portfolio return=14%, SD=9%, Risk-free rate=6%. Calculate Sharpe ratio for both portfolios and identify which has better risk-adjusted performance. (CO4, K4) 10

8. Answer any one of the following:-

8-a. Analyze predictive ability of a portfolio manager for the given information using Jensen's Alpha over market return. (CO5, K5) 10

Parameter	Value
Portfolio Return (Rp)	14%
Market Return (Rm)	12%
Risk-free Rate (Rf)	4%
Portfolio Beta (βp)	1.1

8-b. Analyze portfolio performance with changing beta values using Treynor ratio. (CO5, K5) 10

Portfolio	Expected Return (%)	Beta (β)
Portfolio A	11	0.9
Portfolio B	14	1.3