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**NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA**  
(An Autonomous Institute Affiliated to AKTU, Lucknow)

**MBA (Integrated)**

**SEM: VII - THEORY EXAMINATION (2025 - 2026)**

**Subject: Security Analysis and Portfolio Management**

**Time: 2.5 Hours**

**Max. Marks: 60**

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**

15

1. Attempt all parts:-

- 1-a. Which of the following constraint affects investment decision-making. (CO1, K2) 1
- (a) Return
- (b) Liquidity
- (c) Tax
- (d) Risk
- 1-b. Diversification \_\_\_\_\_ portfolio risk. (CO2, K1) 1
- (a) Increases
- (b) No effect
- (c) Reduces
- (d) Eliminates
- 1-c. For which type of trading technical analysis is preferred. (CO3, K1) 1
- (a) Long-term
- (b) Value investing
- (c) Short-term
- (d) Passive
- 1-d. Capital Market Line includes risk-free asset. (CO4, K1) 1
- (a) No
- (b) Sometimes
- (c) Yes
- (d) Rarely
- 1-e. Performance evaluation assists investors in portfolio selection. (CO5, K1) 1

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

2. Attempt all parts:-

- 2.a. Explain liquidity as an investment objective. (CO1, K2) 2
- 2.b. Explain coefficient of variation in risk measurement. (CO2, K2) 2
- 2.c. Explain Elliott Wave Theory briefly. (CO3, K2) 2
- 2.d. State the assumption of Markowitz portfolio theory. (CO4, K1) 2
- 2.e. State one limitation of Sharpe's Performance Index. (CO5, K1) 2

**SECTION-B**

15

3. Answer any three of the following:-

- 3-a. Analyze the stages involved in the investment process. (CO1, K3) 5
- 3-b. A stock has a beta of 1.2. The risk-free rate is 4%, and the expected market return is 10%. What is the expected return of the stock, and what does its beta value imply? (CO2, K3) 5
- 3.c. Analyze RSI = 75 and suggest trading strategy. (CO3, K4) 5
- 3.d. Analyze efficient frontier and its significance. (CO4, K3) 5
- 3.e. Calculate Treynor Ratio:  $R=16\%$ ,  $R_f=6\%$ ,  $\beta=1.2$ . Interpret result. (CO5, K3) 5

**SECTION-C**

30

4. Answer any one of the following:-

- 4-a. Explain the complete investment process in a systematic manner. (CO1, K2) 6
- 4-b. Explain the importance of systematic investment planning. (CO1, K2) 6

5. Answer any one of the following:-

- 5-a. Explain time value of money and calculate the value of investment for ₹100,000 made by Ms. Radha at a return of 8% for 5 years. (CO2, K3) 6
- 5-b. Explain diversification and its role in risk reduction. (CO2, K3) 6

6. Answer any one of the following:-

- 6-a. Analyze the following data to interpret trend reversal using moving averages. The current market price of the stock is ₹225. The 50-day moving average is ₹210, and the 200-day moving average is ₹198. Identify the type of trend signal generated and justify the investment decision. (CO3, K4) 6
- 6-b. Analyze the significance of weak-form EMH for technical traders. (CO3, K4) 6

7. Answer any one of the following:-

- 7-a. Explain the Sharpe Single Index Model with suitability. (CO4, K3) 6
- 7-b. 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

8. Answer any one of the following:-

- 8-a. Compare two portfolios using Sharpe Ratio: Portfolio A ( $R=14\%$ ,  $SD=9\%$ ) and 6

Portfolio B ( $R=13\%$ ,  $SD=7\%$ ), risk-free rate = 5%. Identify the better portfolio.  
(CO5, K4)

8-b. Calculate and interpret abnormal return of a portfolio. (CO5, K3)

6

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