MBA 3rd Semester Examination
June. 2014

Subject- Security Analysis and Portfolio Management
Subject Code - MSL 631

Time Allowed: 03 hours. Maximum Marks: 100

Before answering the question paper the candidate should ensure that they have been supplied the correct question paper. Complaints in this regard, if any, shall not be entertained after the examination.

Note: All questions carry equal marks. Ques. No. 1 is Compulsory and attempt two questions from each section.

1. Write short notes on
   i. Define investment.
   ii. What do you understand by yield to maturity?
   iii. Define technical analysis.
   iv. What are various importance of constructing portfolio

SECTION – A

2. What are the various forms of investment alternatives? Give a detailed account of all the investments.

3. A chemical company paid a dividend of Rs.2.75 during the current year. Forecasts suggest that earnings and dividends of the company are likely to grow at the rate of 8% over the next five years and at the rate of 5% thereafter. Investors have traditionally required a rate of return of 20% on these shares. What is the present value of the stock?

4. Explain in detail the Dow Theory and how is it used to determine the direction of stock market?

SECTION – B

5. Define efficient frontier. Distinguish between efficient portfolio and feasible portfolio.

6. Formula plan help the investor to overcome being emotionally attached to the stock”- Explain.

7. Assume that the risk free rate of return is 7%. The market portfolio has an expected return of 14% and standard deviation of return of 25%. Under equilibrium condition as described by CAPM, what would be the expected return for a portfolio having no unsystematic risk and 20% standard deviation of return?