M.Com DEGREE (CSS) SPECIAL REAPPEARANCE EXAMINATION, APRIL 2025

Third Semester

CORE - CM010303 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

M.COM FINANCE AND TAXATION (SF),M.COM FINANCE AND TAXATION ,M.COM MARKETING AND INTERNATIONAL BUSINESS (SF),M.COM MANAGEMENT AND INFORMATION TECHNOLOGY (SF),MASTER OF COMMERCE AND MANAGEMENT

2019 ADMISSION ONWARDS

8CFA01DE

Time: 3 Hours   Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

*Weight **1** each.*

1. What do you mean by unsystematic risk?

2. Explain financial asset with example.

3. Discuss EPS.

4. What is a triangle pattern?

5. What is the ideal investment opportunity for protecting the invested amount? Why?

6. What is meant by Utility Analysis?

7. Explain how risk adjusted returns methods of portfolio evalaution helps.

8. What do you mean by bottom-top approach?

9. Raja owns Rs.1000 face value bonds with 5 year maturity. The annual coupon payment is Rs.75. The bond is currently priced at Rs. 960. The appropriate discount rate is 10%. Should Raja hold or sell the bond

10. Calculate 3-day simple moving average using following figures. 30, 33, 36, 38,42,40,37,35,34,33

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

*Weight **2** each.*

11. Explain the procedure involved in designing an investment portfolio.

12. Explain the different types of systematic risk.

13. Explain the various economic forecasting techniques which help the investor to take right investment decision.

14. Write a note on limitations of Dow Theory.

15. "Fundamental analysis takes a long term approach and technical analysis takes a short term approach"- Comment.

16. Why Efficient market theory has been met with a lot of opposition, especially from the technical analysts?

17. *The market portfolio has an expected return of 24 percent and the risk of return of 30%. Under equilibrium conditions as described by the CAPM, what would be the expected return for a portfolio having no market risk and 25% standard deviation of return? Assume that the risk free rate of return is 8 percent.*

18. An investor has Rs 20,000 to invest. The investor decides to begin with Rs 10,000 in stock portfolio and Rs 10,000 in defensive portfolio. Rebalancing of portfolio is required when the stock portion is 20% or above. 200 shares of Rs.50 and in government bonds worth Rs 10,000 are purchased. Prepare a table showing revaluation required or portfolio adjustment if market prices of shares move to Rs 41, Rs 35, Rs 44 and Rs 56.

(6×2=12 weightage)

Part C (Essay Type Questions)
*Answer any **two** questions.*
*Weight **5** each.*

19. Explain the different types of bonds and discuss the various risks related to investment in bond.

20. Write a note on various market indicators used for technical analysis.

21. Discuss various portfolio revision strategies.

22. *The stocks T and D have return of 800 and 940 respectively. What is the expected return on a portfolio made up of 65% of T and 35% of D. What may be the risk of the portfolio when the expected return is 850 for T and 980 for stock D?*

(2×5=10 weightage)