QP CODE: 25018648

25018648

Reg No : .....

Name : .....

BFM DEGREE (CBCS) SPECIAL REAPPEARANCE EXAMINATIONS, FEBRUARY 2025

Fifth Semester

Bachelor of Financial Markets

CORE COURSE - FM5CRT17 - PORTFOLIO MANAGEMENT

2022 Admission Only

74BD1F73

Time: 3 Hours Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What do you mean by Speculation?
2. What do you mean by Portfolio Evaluation?
3. "Asset Allocation Decision is a Personal One". Comment.
4. How will you measure portfolio risk?
5. How many estimates are required in Markowitz model?
6. Explain superfluous diversification.
7. How will you measure portfolio risk using single index model?
8. What do you understand by non-descretionary portfolio management?
9. What do mean by Sharpe’s ratio?
10. What is a constant ratio plan?
11. What is variable plan?
12. What do you mean by equity indices?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. What is investment? What are the objectives of investment?

14. Explain different classification of risk.

15. Explain the concept of portfolio optimisation

16. Define efficient frontier. Distinguish between efficient portfolios and feasible portfolios.

17. Explain the classification of investors on the basis of their risk aversion.

18. Stocks X and Y have the following particulars. Is there any advantage of holding a combination of X and Y?

	X	Y
Expected Return	20	30
Expected Variance	16	25
Covariance XY	20	

19. What are the assumptions of APT? Compare the assumptions of CAPM and APT.

20. How does CAPM helpful in pricing securities?

21. What are the differences between active and passive portfolio management strategies?

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Explain the return requirements and risk tolerance of various investment group.

23. Briefly Explain the Scope of Asset Liability Management

24. Explain the concept of asset allocation pyramid with a suitable example.

25. Explain efficient frontier with risk-free lending borrowing.

(2×15=30)