

MAHATMA GANDHI UNIVERSITY
Kottayam, Kerala
Undergraduate Programmes (HONOURS) – 2024 Admission Onwards

MODEL QUESTION PAPER

Signature Course
Course Code: MG5DSEECOAO1
Course Name: Portfolio Analysis and Investor Protection
Programme: BA (Hons) Economics
Semester: 5
Specialization: Investment Decisions and Portfolio Management
Course Level: 300
Time: 2 Hours
Maximum Marks: 70

PART – A

Short Answer Questions
(Answer any 10 out of 15)
(10 × 2 = 20 Marks)

1. Define Portfolio Management.
2. What is meant by expected return of a portfolio?
3. State the principle of diversification.
4. What is systematic risk? How is it measured by beta?
5. Name any two participants in the derivatives market in India.
6. Differentiate between Futures and Forwards.
7. Define a Call Option and a Put Option.
8. What is SEBI? State any two of its functions.
9. Define Mutual Fund and Exchange Traded Fund (ETF).
10. What is meant by Unlawful Possession of Securities Information (UPSI)?
11. State any two rights of investors in India.
12. Name the two major stock exchanges in India and mention one role each in investor protection.
13. What is an Initial Public Offering (IPO)? Why do companies go public?
14. What is underpricing of an IPO?
15. Distinguish between dividends and share repurchases.

PART – B

Short Essay Questions

(Answer any 6 out of 10)

(6 × 5 = 30 Marks)

16. Explain the objectives of portfolio management.
17. Briefly discuss the Markowitz model of portfolio optimisation.
18. Trace the history and recent trends of the derivatives market in India.
19. Explain the Black-Scholes option pricing model and its practical significance.
20. Discuss the concept of mutual funds and ETFs as investment options.
21. Explain the grievances redressal mechanism available to investors, companies and depository participants under SEBI.
22. What is investor activism? Discuss its importance in protecting investor interests.
23. Differentiate between active and passive mutual fund strategies with suitable examples.
24. Explain the IPO process and the reasons for underpricing.
25. Discuss the role of buy-side and sell-side analysts in capital allocation decisions

PART – C

Essay Questions

(Answer any 2 out of 4)

(2 × 10 = 20 Marks)

26. “Diversification reduces risk but does not eliminate it completely.” Critically examine this statement in the light of systematic risk, beta and the Markowitz portfolio optimisation techniques.
27. Discuss in detail the role of SEBI in investor protection in India. Explain the major guidelines, financial education strategies and grievance redressal methods prescribed by SEBI.
28. Analyse the role of stock exchanges in India in protecting investors. How do advanced mutual fund strategies (active vs passive, equities & debt, ETFs) help in better investment decision-making?
29. Explain the complete IPO process including book-built offering versus auction method. Discuss capital allocation decisions with special reference to the seven places where capital can be allotted, dividends versus repurchases, and the importance of corporate governance.