PRN:		Course Code:	PBAFM305R

Second Year **M.B.A** Semester End Examination Winter 2024

SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

000498

Day and Date: Wed 27 NOV 2024 Max Marks: **50**

Time: 10:30AM To 12:30PM Duration: **02** hrs

Instructions: All questions are compulsory.

		Marks	Bloom's Level	CO
Q.1	**Attempt any two from the following**			
a)	Discuss the meaning and objectives of investment.	06	L2	CL01
b)	Imagine you are planning to invest in various assets. Describe the general steps you would follow in making this investment	06	L3	CL01
c)	Discuss the role and functions of portfolio manager.	06	L2	CL01
Q.2	**Attempt any two from the following**			
a)	Given below are likely returns in case of shares VCC ltd and LCC ltd in various economic condition. Both are the shares are presently quoted at 100 rs share.	06	L4	CL02

Economic condition	Probability (p)	Return of VCC ltd	Return of LCC ltd
High growth	0.3	100	150
Low growth	0.4	110	130
Stagnation	0.2	120	90
Recession	0.1	140	60

Which of two companies are risky investments?

b)	Differentiate between fundamental and technical analysis.	06	L4	CL02
c)	Interpret the relationship between risk and return, and why is it significant in investment decisions?	06	L3	CL02
Q.3	**Attempt the following**			
a)	A retail chain is evaluating a potential expansion. The risk-free rate is 3.5%, the expected market return is 10%, and the beta for the retail sector is 0.9. What is the expected return on the expansion project using CAPM?	06	L4	CL03
b)	Company DEF has issued a bond with a face value of ₹2,000 and a coupon rate of 6%, paid annually. The bond matures in 10 years, and the prevailing market interest rate is currently 5%. Your analysis of this bond will help investors make informed decisions.	07	L4	CL03
	or			
b)	Discuss the concept of diversification in investment. How does it contribute to risk management and portfolio performance?	07	L2	CL03
Q.4	**Attempt the following**			
a)	Justify the Importance of Periodic Portfolio Rebalancing with real life situation.	06	L5	CL04
b)	Following information is given in respect of three mutual	07	L4	CL04

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fund and market,

Portfolio	Return	Beta	Risk-free return
Birla	15%	1.2	9
Kotak	16%	1.5	9
Reliance	12%	0.8	9
Market Index	13%	1.0	9

You are required to rank these portfolio's according to Jensen's Measure of Portfolio return

or

b) You are asked to analyse two portfolios having the characteristics. 07 L4 CL04

Portfolio	Avg. Return	Beta	Standard Deviation
A	18%	2	3
B	12%	1.5	2

The risks free return is 9%. The return on the market portfolio is 15%. The standard deviation of the market is 6%.

1. Treynor's index.
2. Sharpe's index for market portfolio.
3. Evaluate the portfolio performance.

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