Roll No. ☐☐☐☐☐☐☐☐☐☐☐   Total No. of Pages : 02

Total No. of Questions : 15

MBA (2012 & onward)   (Sem.–3)
SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
Subject Code : MBA-921
Paper ID : [C1172]

Time : 3 Hrs.   Max. Marks : 60

INSTRUCTION TO CANDIDATES :
1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.**

SECTION-A

1. Explain systematic and unsystematic risk.

2. Write short note on types of swap deals.

3. Distinguish between a call option and put option.

4. Write short note on portfolio performance measurement.

5. Explain the charting technique of technical analysis.

6. What is the difference between technical analysis and fundamental analysis?

SECTION-B

UNIT-I

7. What is the meaning of investment? Discuss the different channels or alternatives available to an investor for making investment.

8. What do you mean by stock exchange? Give its characteristics.

UNIT-II

9. What are the tools of technical analysis? Explain in detail.

10. What is industry analysis? What are the key characteristics of industry analysis?

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BSC-IT, MSC-IT.

UNIT-III

11. Discuss in detail the Markowitz theory of portfolio analysis.

12. Discuss in detail capital asset pricing theory and CAPM.

UNIT-IV

13. What are the various kinds of derivaties? Discuss the derivative market in India.

14. Describe the Black-Scholes model of option pricing. State its major assumptions also.

SECTION-C

15. **Case Study :**

You have recently graduated as a major in finance and have been hired as a financial planner by Radiant Securities, a financial services company. Your boss has assumed you the task of investing Rs. 1,000,000 for a-client who has a 1-year investment horizon. You have been asked to consider only the following investment alternatives: T-bills, stock A, stock B, stock C, and market index.

The economics cell of Radiant Securities has developed the probability distribution for the state of the economy and the equity researchers of Radiant Securities have estimated the rates of return under each state of the economy. You have gathered the following information from them :

Return on Alternative Investments

State of economy	Probability	T-Bills	Stock A	Stock B	Stock C	Market Portfolio
Recession	0.2	6.0%	(15.0%)	30.0%	(5.0%)	(10.0%)
Normal	0.5	6.0	20.0	5.0	15.0	16.0
Boom	0.3	6.0	40.0	(15.0)	25.0	30.0

Your client is very curious investor who has heard a lot relating to portfolio theory and assest pricing theory. He requests you to answer the following question :

Questions :

1. What is the expected return and the standard deviation of return for stocks A,B,C and the market portfolio?

2. What is the covariance between the returns on A and B?

3. What is the coefficient of correlation between the returns A and B?