

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**MBA Summer 2017-18 Examination**

**Semester: 3****Subject Code : 06201202****Subject Name : Security Analysis & Portfolio Management****Date: 07/06/2018****Time: 2.00 pm to 4.30 pm****Total Marks: 60****Instructions:**

1. Attempt all questions from each section
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q-1 Do as Directed****(A) Multiple Choice Questions (Each of 1 mark)****(05)**

1. A Company's \_\_\_\_\_ provide the most accurate information to its management and shareholders about its operations.
  - A. Advertisements
  - B. Financial Statements
  - C. Products
  - D. Vision Statement
2. \_\_\_\_\_ are a fixed income security.
  - A. Equities
  - B. Forex
  - C. Derivatives
  - D. Bonds
3. The balance sheet of a company is a snapshot of the \_\_\_\_\_ at a point in time
  - A. The sources and applications of funds of the company
  - B. Expenditure Structure
  - C. Profit Structure
  - D. Income Structure
4. Call Options can be classified as:
  - A. European
  - B. American
  - C. Only A
  - D. A & B Both
5. The issue price of T-bills is generally decided at an \_\_\_\_\_
  - A. OTC market
  - B. Inter-Bank market
  - C. Exchange
  - D. Auction

**(B) Define the following (Each of 1 mark)****(05)**

1. Investment Management
2. Beta
3. Speculation
4. Blue chip shares
5. Forwards

**(C) Direct Questions (Each of 1 mark)****(05)**

1. Define Unsystematic Risk
2. Define Portfolio Revision
3. Define Capital Market Line
4. What is Arbitrage?
5. What is Gambling?

**Q-2 Answer the following questions**

- (A) As a fundamental analyst, which aspects of a stock would you like to investigate, before recommending it to the investors? (08)
- (B) Describe Markowitz Portfolio Theory for portfolio selection. (07)

**Q-3 Answer the following questions**

- (A) What are various forms of trade orders? Write a note on circuit breakers? (08)
- (B) What do you mean by portfolio management? Discuss different portfolio revision Techniques. (07)

**Q-4 Attempt any two questions. (Each of 7.5 marks) (15)**

1. Consider the following information for three mutual funds, P, Q and R and the market

	Mean Return (%)	Standard Deviation (%)	Beta
P	15	20	0.90
Q	17	24	1.10
R	19	27	1.20
Market Index	16	20	1.00

The mean risk-free rate was 10%.

Calculate the Treynor measure, Sharpe measure and Jensen measure for the three mutual funds and the market index.

2. Discuss different techniques involved in technical analysis.
3. Mr Kapoor has just got married. He plan for a family in short run. The combined income of the couple is Rs. 1 lac per month. They have no savings or fixed assets. Their expenditure is Rs. 50,000 per month. You are required to suggest him investment portfolio as financial advisor assuming inflation and expenditure are set to rise.
4. CAPM assumes the presence of rationale and risk averse investors, efficient price discovery, existence of risk free rate, efficient arbitrage mechanism and absence of market imperfections. Critically explain.