School of Finance and Commerce

Master of Business Administration in Financial Management
Semester End Examination - Jun 2024

Duration : 180 Minutes
Max Marks : 100

Sem II - H1PE201T - MBAF0801 Security Analysis and Porfolio Manageemnt

General Instructions
Answer to the specific question asked
Draw neat, labelled diagrams wherever necessary
Approved data hand books are allowed subject to verification by the Invigilator

1) What do you mean by entry load and exit load? How do these affect the return to investors? — K1 (2)

2) Discuss the following: a. Difference between expected return and realised return. b. Interset rate risk — K2 (4)

3) An investment is currently available for Rs. 40. The revenue return and the year end price of this investment depend upon the economic conditions. Three such conditions are likely with equal probabilities. The return and year-end prices are expected as follows: Conditions: Boom, Normal, Recession Return in each condition respectively: Rs. 2, 1, 0.5 Year-end price expected in each condition respectively: Rs. 50, 43, 34 Find out the expected value of return fro one-year period and the standard deviation of the return. — K2 (6)

4) Fundamental analysis is more important tool for investor than the technical analysis. Do you agree? Comment. — K3 (9)

5) An investor buys a 10% bond (FV - 1000) for Rs. 1029 today. The remaining maturity period is 4 years when it would be redeemed at par. Find out YTM. If the bond is callable at Rs. 1060 after 2 years from now, what is YTC of the bond? — K3 (9)

6) Name the important participants of securities market. Explain any two of them in brief. — K5 (10)

7) "No investement is risk-free." In view of this statement, write a note on the meaning and types of investment risk. — K4 (12)

8) Differentiate between: a. Fundamental Analysis and Technical Analysis b. Economy analysis and industry analysis. c. Top down approach and bottom-up approach to fundamental analysis — K5 (15)

9) What factors are considered while doing an industry analysis? "Fundamental analysis is useful in long-run while technical analysis is useful in short-run." Discuss. — K5 (15)

10) Write a short note on: a. Zero-Interest fully convertible bonds b. Bond Indenture c. Basic Characteristics of a bond. — K6 (18)