

(R_j is the return on
return on market po

ity 'j' and R_m is the
).

UN

8. Differentiate between
strategies of bond
strategy, in your
investor? Why?

active and Passive
management. Which
is better for an

9. Write notes on :

- (a) Constraints in p
(b) Constant ratio p

o revision

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Roll No.

56079

**MBA 2 Year 4th Semester (N.S.)
Examination- May, 2016**

**SECURITY ANALYSIS AND PORTFOLIO
MANAGEMENT**

Paper : MBA-411

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : Attempt **compulsory** question No. 1 from Section-A and **four** questions from Section-B (**one** question from each Unit). All questions carry equal marks.

SECTION - A

1. Answer the following in brief :

- (a) Who is an investor ?
(b) What is risk-free rate ?

- (c) What is yield to maturity ?
- (d) What is an efficient market ?
- (e) Explain and illustrate the concept of a portfolio.
- (f) What is a market portfolio ?
- (g) Highlight the reasons for portfolio revision.
- (h) What is a variable annuity plan ?

SECTION - B

2. Explain the nature and process of investment. Discuss the criteria for evaluating various investment avenues.

3. Compute the expected return and risk of security 'j' from the following data :

Return (%)	-20	-10	-5	10	18	20	30
Probability	0.05	0.05	0.1	0.15	0.25	0.25	0.05

4. A company is paying a dividend of Rs. 2 per share. The dividend is expected to grow at a

rate of 15% annually for 3 years, then at 10% for next 3 years after which it is expected to grow at 5% annually for ever.

- (a) What is the present value of the share if the capitalization rate is 9% ?
- (b) If the share is held for three years, what shall be its present value ?

5. Discuss the important financial variables considered in company analysis. How do they impact the market price of the shares of a company ?

UNIT - III

6. Explain the objectives of portfolio. Which factors should be considered while constructing a portfolio ? How and why is efficient frontier created ?

7. Find the value of beta for security of 'j' from the following data :

R_j	-8	7	6	14	15	14	-9	4	18	16
R_m	10	7	8	16	-11	12	1	7	14	13