

Reg. No. _____ Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
FIFTH TRIMESTER MBA DEGREE EXAMINATION JANUARY 2019
FIN-T5-8 SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Max. Marks: 60

Duration: 3 Hours

Part A

Answer all questions. Each question carries 2 marks

Write short notes on:

1. EIC Analysis.
2. Oscillators
3. Run Test and Filter Test
4. CML and SML
5. Need and Importance of Portfolio evaluation

(5x2 marks = 10 marks)

Part B

Answer any 3 questions. Each question carries 10 marks

6. Describe the various factors that an investor has to consider while doing industry analysis.
7. Illustrate Dow Theory and list out its assumptions.
8. Compare and contrast semi-strong form of market efficiency with strong form of market efficiency.
9. Explain Arbitrage Pricing Theory, its assumptions, benefits and limitations.
10. A) Illustrate Japanese Candlestick Charts with the help of an example. (5)
B) Describe the methods of valuation of shares. (5)

(3x10 marks = 30 marks)

Part C

Compulsory question, the question carries 20 marks

11. A) Explain Portfolio Evaluation and describe any four tools for evaluating the performance of portfolios. (10)

B) Mr. Anand, an investor in stock market, submits you the following details. As his portfolio manager you are asked to determine which of the securities are overpriced, underpriced and fairly priced and advise him.

Security	Estimated Return (%)	Beta	Standard Deviation (%)
A	30	2.0	40
B	24	1.4	30
C	21	1.0	25
D	15	0.8	20
E	12	0.6	18
F	10	0.5	15

The Market return is expected to be 15 per cent and the risk free rate of return is 7 per cent.

(10)
