Register No.: .... Name.: ....

SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

THIRD SEMESTER MBA DEGREE EXAMINATION (R), DECEMBER 2023

(2021 Scheme)

Course Code : 21MBA285

Course Name: Security Analysis and Portfolio Management

Max. Marks : 60 **Duration: 3 Hours**

PART A

(Answer all questions. Each question carries 2 marks)

1. Explain discounted cash flow models in security valuation.
2. What is Efficient Market Hypothesis?
3. What do you mean by holding period return and expected rate of return in investment.
4. Differentiate between Capital Market Line and Security Market Line.
5. 'In the Indian Context, buy-and-hold is a better strategy compared to any of the portfolio revision strategies,' Explain.

PART B

(Answer any 3 questions. Each question carries 10 marks)

6. What is meant by fundamental analysis? Do you think that knowing the status of the economy is useful in analyzing stock market movements? If so explain.
7. Identify any five technical analysis tools that helps to predict the price movements
8. Explain various systematic and unsystematic risk for the investment.
9. Identify various equity portfolio management strategies.
10. **a.** Suppose that the 10-year annual return for a market portfolio is 10%, while the average annual return on Treasury bills is 5% and assuming that the market portfolio had a standard deviation of 18% over a 10-year period, Determine the Sharpe ratios for the following portfolio managers:

Manager	**Annual Return**	**Portfolio Standard Deviation**
Manager X	14%	0.11
Manager Y	17%	0.20
Manager Z	19%	0.27

Marks (3)

b. Suppose that the 10-year annual return for a market portfolio is 10%, while the average annual return on Treasury bills is 5%. Then assume you are evaluating three distinct portfolio managers with the following 10-year results:

Managers	**Average Annual Return**	**Beta**
Manager A	10%	0.90
Manager B	14%	1.03
Manager C	15%	1.20

Determine the Treynor ratios Marks (3)

c. Assume a risk-free rate of 5% and a market return of 10%, what is the alpha for the following funds? Assess on the predictive ability of the fund managers.

Manager	**Average Annual Return**	**Beta**
Manager D	11%	0.90
Manager E	15%	1.10
Manager F	15%	1.20

Marks (4)

PART C

(Compulsory question, the question carries 20 marks)

11. a) From the following details, determine the beta of Tata Motors.

Period	Tata Motors Return	Nifty Return
1	13	15
2	16	16
3	14	15
4	15	16
5	16	18
6	13	15
7	17	18
8	15	14
9	16	17
10	20	19

Marks (10)

b) Examine various relative valuation tools Marks (10)

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