

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

## SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

### THIRD SEMESTER MBA DEGREE EXAMINATION (S), FEBRUARY 2024 (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. Describe briefly the different investment avenues in India.
2. Explain briefly efficient market hypothesis.
3. Explain the various measures used for estimating risk?
4. What is Capital Asset Pricing Model (CAPM).
5. Briefly explain Fama French three factor model.

#### PART B

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

6. What is fundamental analysis? What are its key components? Explain the key macro-economic factors considered in fundamental analysis.
7. Define technical analysis. Explain any five formations for assessing individual stocks movement.
8. Define risk. Explain different types of risk with examples.
9. Broadway Investment Company manages an equity fund consisting of five stocks with following market values and betas. If  $R_f$  is 9% and  $R_m$  is 16%, determine the expected return of the portfolio.

Stock	Market Value	Beta
A	300000	1.3
B	250000	1.2
C	200000	0.9
D	150000	0.5
E	100000	1.6

10. Explain important portfolio performance measurement techniques.

#### PART C

*(Compulsory question, the question carries 20 marks)*

11.

- a) Consider two companies ABC and XYZ with a correlation coefficient of 0.5. Calculate the portfolio return and risk.

Stocks	Standard deviation	Weight in portfolio (%)	Average return (%)
ABC	20	50	16
XYZ	40	50	20

What happens when you add another stock, PQR to the portfolio in the 50:50 ratio? PQR has a return of 19% and standard deviation of 30. The correlation coefficient of PQR with the existing portfolio is 0.30.

Marks (10)

b) Define Portfolio Management and explain the underlying principles in portfolio management.

Marks (10)

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