

**M. COM. DEGREE END SEMESTER EXAMINATION - APRIL 2021****SEMESTER 4 : COMMERCE****COURSE : 16P4COMT20EL ; SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT***(For Regular - 2019 Admission & Supplementary - 2016/2017/2018 Admissions)*

Time : Three Hours

Max. Marks: 75

**PART A****Answer any 10 (2 marks each)**

1. What is mean-variance approach?
2. Differentiate quote driven system and order driven system.
3. What are good till cancelled orders?
4. What do you mean by Cyclical Industries?
5. What is SWOT Analysis?
6. What is MACD
7. What is continuation pattern?
8. What is efficient portfolio?
9. What is indifference curve?
10. What are the types of Trend analysis used in Dow Theory?
11. What is the transaction view of evaluation?
12. Security J has a beta of 0.75 while security K has a beta of 1.45. Calculate the expected return for these securities , assuming the risk free rate is 5 per cent and the expected return of the market is 14 per cent.

**(2 x 10 = 20)****PART B****Answer any 5 (5 marks each)**

13. Unsystematic risk is irrelevant in portfolio construction, Explain.
14. What is Investment? What are the different investment avenues?
15. What are the different Economic Forecasting Techniques?
16. Explain Company Analysis.
17. In bullish trend each peak followed by higher peak and each bottom followed by higher bottom and in bearish trend opposite is the case. Explain.
18. Explain different reversal patterns
19. How will you calculate return and risk in a portfolio with more than two securities?
20. A security pays a dividend of Rs. 3.85 and sells currently at Rs.83.The security is expected to sell at Rs. 90 at the end of the year. The security has a beta of 1.15. The risk free rate is 5 per cent and the expected return on market index is 12 per cent. Assess whether the security is correctly priced.

**(5 x 5 = 25)****PART C****Answer any 3 (10 marks each)**

21. What is Risk. Risk associated with investment involves Systematic Risk and Unsystematic Risk, Explain?
22. Briefly explain the forms of market efficiency.
23. Explain different chart patterns
24. Explain Markowitz model of Portfolio Analysis

25. The following data are available to you as portfolio manager

| Security      | Estimated return<br>(per cent) | Beta | Standard deviation<br>(per cent) |
|---------------|--------------------------------|------|----------------------------------|
| A             | 30                             | 2.0  | 50                               |
| B             | 25                             | 1.5  | 40                               |
| C             | 20                             | 1.0  | 30                               |
| D             | 11.5                           | 0.8  | 25                               |
| E             | 10.0                           | 0.5  | 20                               |
| Market index  | 15                             | 1.0  | 18                               |
| Govt security | 7                              | 0    | 0                                |

- a. In terms of the security market line , which of the securities listed above are underpriced?
- b. Assuming that a portfolio is constructed using equal proportions of the five securities listed above, calculate the expected return and risk of such a portfolio.

**(10 x 3 = 30)**