Reg. No ..... Name **26P464**

M. COM DEGREE END SEMESTER EXAMINATION - MARCH 2026

SEMESTER 4 : COMMERCE

COURSE : **24P4COMT20EL : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

(For Regular 2024 Admission)

Time : Three Hours Max. Weights: 30

PART A

Answer any 8 questions **Weight: 1**

1.	What is self evaluation?	(U, CO 5)
2.	What is top down and bottom up approach of fundamental analysis?	(U, CO 6)
3.	What do you mean by Leading Indicators?	(U, CO 6)
4.	Which are the three broad theories concerning stock price movements?	(U, CO 4)
5.	What is market index?	(U, CO 4)
6.	What is the difference between feasible portfolio and efficient portfolio?	(E, CO 4)
7.	What is EMH?	(U, CO 4)
8.	Why is Random Walk Theory later came to be known as Efficient Market Hypothesis ?	(U, CO 4)
9.	Differentiate between debenture and bond.	(U, CO 6)
10.	Distinguish reward to variability ratio and reward to volatility ratio?	(E, CO 5)

(1 x 8 = 8)

PART B

Answer any 6 questions **Weights: 2**

11.	Explain the most popular continuation patterns?	(An, CO 6)
12.	Calculate the expected return and variance of a portfolio comprising two securities, assuming the portfolio weights are 0.75 for security 1 and 0.25 for security 2. The expected return for security 1 is 18 percent and its standard deviation is 12 per cent, while the expected return and standard deviation of security 2 are 22 per cent and 20 per cent respectively. The correlation between the two securiries is 0.6.	(A, CO 4)
13.	Explain different reversal patterns.	(U, CO 6)
14.	Consider a portfolio composed of five securities. All the securities have a beta of 1.0 and unique or specific risk (standard deviation) of 25 per cent. The portfolio distributes the weight equally among its component securities. If the standard deviation of the market index is 18 per cent, calculate the total risk of the portfolio.	(A, CO 4)
15.	Fundamental analysis aims at findingout mispriced securities- Explain.	(An, CO 6)
16.	Who is a speculator. Explain different types of speculators ?	(U, CO 1)
17.	Compare and contrast yield to call and yield to maturity.	(E, CO 6)
18.	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.	(A, CO 5)

(2 x 6 = 12)

PART C

Answer any 2 questions **Weights: 5**

19. How is security risk and return measured in a single index model? (An, CO 4)

20. Differentiate current yield and coupon rate. Explain using examples as to how current yeild differs depending upon issue price? (An, CO 6)

21. Briefly explain how systematic risk can be measured? What does it mean when we say beta is less than one and when beta is negative? (An, CO 3)

22. Briefly explain the forms of market efficiency. (U, CO 4)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	To understand different investment avenues, and making better decisions in investment	U	16	2
CO 3	Examine the types of risk in security market and methods to reduce risk	E	21	5
CO 4	CO-4 Equip with taking of investment decisions after understanding market efficiency and to select, revise and evaluate portfolios and also apply various tools for the valuation of bonds.	E	4, 5, 6, 7, 8, 12, 14, 19, 22	19
CO 5	Apply the modern portfolio techniques to construct efficient portfolios, revising constructed portfolios as per risk and return association by using different strategies.	A	1, 10, 18	4
CO 6	CO-6 Enables problem solving in Technical Analysis - Share valuation, Bond Valuation, Portfolio construction Revision and Evaluation	An	2, 3, 9, 11, 13, 15, 17, 20	16

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;