

**MASTER OF BUSINESS ADMINISTRATION  
(MBAEV)**

**Term-End Examination**

**December, 2013**

**MCNE-039 : SECURITY ANALYSIS AND  
INVESTMENT MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

**Note :** (i) Attempt *any five* questions.

(ii) All questions carry *equal* marks.

1. Define investment. What are the various forms of investments ? Discuss the risk return profile of these alternatives. Also discuss some of the tax sheltered investment alternatives. 20
  
2. What are the components of investment risk ? Distinguish between diversifiable risk and non - diversifiable risk. 20
  
3. Explain the following : 4x5=20
  - (a) Yield to maturity
  - (b) Duration
  - (c) Immunisation
  - (d) Fundamental Analysis

4. Explain the importance of earnings, dividend payout and required rate of return in estimating the theoretical value of the stock. Discuss the role of P/E ratio in making buy and sell decisions. 20
  5. Define market efficiency. Discuss the various forms of market efficiency and explain the different tests of the weak form of EMH. 20
  6. What are derivatives ? Distinguish between Put and Call Option. Diagrammatically explain the pay offs for Put and Call Option buyer and writer. 20
  7. What is portfolio revision ? Why does the need arise for portfolio revision ? What are the constraints in portfolio revision ? Explain the formula plans used for portfolio revision. - 20
  8. Explain the Jensen index, Treynor index and Sharpe index of portfolio performance. Explain the reasons for the Treynor and Sharpe indices giving conflicting performance ranking. 20
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