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MANAGEMENT PROGRAMME (MP)

Term-End Examination

December, 2021

MS-44 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

Note : *Attempt any **five** questions. All questions carry equal marks.*

1. "The investment process involves a series of activities starting from the policy formulation." Discuss.

2. (a) What is risk ? Distinguish between systematic and unsystematic risk.

   (b) Determine the price of ₹ 1,000 zero coupon bond with yield to maturity of 18% and 10 years to maturity. What is YTM of this bond if the price is ₹ 220 ?

3. "Stock Exchanges Act as barometers of the health of economy." Discuss.

4. (a) What are the differences between fundamental analysis and technical analysis ? How do you make use of both of them ?

   (b) Discuss the concept of Price Indicators. Elaborate various charting techniques.

5. Discuss the different forms of Efficient Market Hypothesis (EMH) with empirical evidence.

6. (a) Distinguish between Capital Assets Pricing Model (CAPM) and Arbitrage pricing theory.

   (b) How does Markowitz's theory help in planning an Investor's portfolio ?

7. The following table provides information regarding portfolio return and risks :

Portfolio	Expected return E (R)	σ
1	10	4
2	12	7
3	13	5
4	16	12
5	20	14

(i) The Treasury bill rate is 5%. Which portfolio is best ?

(ii) Would it be possible to earn 12% return with standard deviation (S.D.) of 4% ?

(iii) If S.D. is 12%, what would be the expected return ?

8. Write short notes on the following :

(a) Superfluous Diversification

(b) Dow theory

(c) SML

(d) Portfolio revision strategies