

MANAGEMENT PROGRAMME

Term-End Examination

December, 2022

MS-044 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : 3 hours

*Maximum Marks : 100
(Weightage : 70%)*

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

1. What is 'Investment' ? Discuss the nature of investment decisions and describe the investment decision process.
2. Explain the fundamentals of valuations as applied to fixed income securities. Describe the three-step valuation process used in investment analysis of equity shares.
3. What do you understand by Economic Analysis ? Describe the various variables used as a measure of economic activities.

4. Explain the following :
 - (a) Moving Average
 - (b) Moving Average Convergence-Divergence (MACD) Indicator
 - (c) Relative Strength Index (RSI)
 - (d) Basic Tenets of Dow Theory

5. Define 'Market Efficiency' and describe the differences in various forms of market efficiency.

6. What do you understand by 'Portfolio Risk' ? Under what conditions :
 - (a) Portfolio risk can be minimised ?
 - (b) Variance of very large portfolio diminishes to zero ?

7. What is Portfolio Performance Evaluation ? Describe Treynor's and Sharpe's indices of portfolio performance. Which one do you recommend ? Why ?

8. What do you understand by Formula Plans ? Critically examine the various formula plans and discuss their limitations.
