

**MASTER OF BUSINESS ADMINISTRATION
(BANKING AND FINANCE) (MBABFEV)**

Term-End Examination

June, 2013

**MCN-026 : SECURITY ANALYSIS AND
PORTFOLIO MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

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

1. Compare and contrast the ways the securities markets and financial intermediaries provide liquidity. What are their relative advantages and disadvantages ?
2. Discuss the basic bond valuation model and illustrate the method of valuing :
 - (a) bonds in perpetuity
 - (b) bonds with maturity
3. Discuss the constant growth dividend discount model and explain the impact of growth on price, dividend yield, capital gains yield and price earning ratio.

4. Explain in detail the Dow Theory and how is it used to determine the direction of the stock market ?
 5. What are the three forms of market efficiency ? State the anomalies in the efficient market hypothesis.
 6. Explain the Capital Asset Pricing Model (CAPM) and its validity in the stock market.
 7. How does the cross sectional variation in common stock returns relate to the issue of stock selection ? Describe three active strategies involving common stocks.
 8. Explain the following :
 - (a) Covered Calls
 - (b) Protective Puts
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