

MANAGEMENT PROGRAMME

Term-End Examination

June, 2015

**MS-44 : SECURITY ANALYSIS AND
PORTFOLIO MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note : Attempt any five questions. All questions carry equal marks. Present value and annuity tables are to be provided, if asked for.

1. Define 'Investment'. Explain the process and purposes of investment by the investors.
2. What are the objectives of listing of securities ? Discuss the requirements for listing of securities in stock exchange.
3. (a) Discuss the different approaches for valuation of Common Stock.
(b) The book value per share of a company is ₹. 145.50 and its rate of return on equity is 10 percent. The company follows a dividend policy of 60% pay out. What is the price of its share if the capitalization rate is 12 percent ?
4. How does technical analysis differ from fundamental analysis ? Discuss the various assumptions underlying in technical analysis.

5. (a) What is Capital Asset Pricing Model ? What are the assumptions of the Capital Asset Pricing Model ?
- (b) From the following details, evaluate the performance of the portfolios of A and B by using Treynor's and Sharpe's Indexes and rank them.

Portfolio	Return	Sd.	Riskless return	Beta
(A)	6.00	15.24	3.0	1.00
(B)	3.30	4.92	3.0	2.85

6. Explain the logic of the Arbitrage - Pricing Theory (APT). How does it compare and contrast with CAPM ?
7. Critically examine the applicability of Jenson and Treynor's measures of portfolio performance to Indian Mutual Funds.
8. Critically evaluate the three formula plans and suggest modification, if any, to make them useful for investors in Indian Stock Market.
