

THIRD SEMESTER M.Com. DEGREE EXAMINATION, DECEMBER 2016

(CUCSS)

MC3E F (02)—SECURITY ANALYSIS AND PORT FOLIO MANAGEMENT

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all the questions.

Each question carries 1 weightage.

1. Explain the importance of Investment.
2. What do you mean by Bond immunization ?
3. Define Moving Averages.
4. Define intrinsic value of security.
5. What is CML ?
6. State Treynor's index.

(6 × 1 = 6 weightage)

Part B

Answer any six of the following.

Each question carries 3 weightage.

7. "No investments is risk free". In view of this statement, Justify your view. Can this be eliminated or minimized ?
8. Discuss the wide array of investment avenues available in India. Also bring out the merits and demerits of each avenue.
9. Explain Bond Value Theorems with examples. Do you think that these theorems have any practical values ?
10. 'Economic forecasting is the heart of the economy analysis'. Comment and briefly explain various techniques of economic forecasting.
11. Technical Analysis is useful to predicting individual share price as well as the direction of the market as a whole'. Elaborate and illustrate.
12. Explain CAPM Theory and its validity in the Indian Stock Market.

Turn over

13. Describe the procedure developed by Markowitz for choosing the optimal portfolio of risky assets.
 14. Describe the key steps involved in portfolio management.

(6 × 3 = 18 weightage)

Part C

*Answer any two of the following.
 Each question carries 6 weightage.*

15. Compare and contrast Fundamental Analysis with Technical Analysis.
 16. Define Optimal portfolio and explain the characteristics of an optimal portfolio in detail.
 17. The following Information is provided regarding the performance of the funds namely Kotak Life Style funds, JM Finance Basic Funds and Standard Chartered Premier Equity Fund for the period of 6 months ending Dec 2015. The Treasury bill rate is 7.5 %. Rank them with the help of Sharpe and Terynor Index and Discuss.

<i>Fund Name</i>	R_p	σ_P	β
Kotak Life Style funds ...	25.38	4.00	0.23
JM Finance Basic Funds ...	25.11	9.01	0.56
Standard Chartered Premier Equity Fund ...	25.01	3.55	0.59

(2 × 6 = 12 weightage)