

THIRD SEMESTER M.Com. DEGREE EXAMINATION, DECEMBER 2017

(CUCSS)

MC 3E (F) 02—SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A*Answer all the questions.**Each question carries 4 weightage.*

1. Explain the objectives of Investment.
2. Define Zero Coupon Bond.
3. Define the industry life cycle stages.
4. What is point and figure chart ?
5. How is Beta computed using CAPM ?
6. What do you mean by risk aversion ?

(6 × 1 = 6 weightage)

Part B*Answer any six of the following.**Each question carries 3 weightage.*

7. Explain the Characteristics of Investment. Elucidate if there will be a tradeoff between Risk and Return in Investments.
8. What factor should an Investor consider while making investment decisions ? Explain in detail.
9. Define Yield to Maturity and explain with suitable examples.
10. Fundamental analysis provides an analytical framework for rational investment decision-making. Explain.
11. How does RSI and ROC indicate the technical strength and weakness of stock price movement ?
12. Differentiate CML with SML.

Turn over

13. What are the advantages of adopting CAPM model in the portfolio management. How can securities be evaluated with the help of the CAPM theory ?
14. What are the constraints in portfolio revision ? Explain briefly.

(6 × 3 = 18 weightage)

Part C

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

15. Explain Economic, Industry and Company Analysis in Detail.
16. Explain how the efficient frontier is determined using them Markowitz approach. What are the characteristics of assets that lies on the efficient frontier ? What are the strengths and weaknesses of the Markowitz approach ?
17. Consider the following information for two mutual funds :—

Mutual Funds	Mean Return	Standard Deviation	Beta
A	12	18	1.1
B	10	15	0.9
Market	11	17	1

The risk free rate was 6.0.

Calculate the Treynor and Jensen Measure.

(2 × 6 = 12 weightage)