

**THIRD SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION
NOVEMBER 2019**

M.Com.

MC3E(F)02—SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all the questions.

Each question carries 1 weightage.

1. Distinguish between the financial and economic meaning of investment.
2. State any four sources of information for an investor.
3. Why do companies get their shares listed on the stock exchange ?
4. Write any two types of bonds.
5. What is point and figure chart ?
6. What is an efficient portfolio ?

(6 × 1 = 6 weightage)

Part B

Answer any six of the following.

Each question carries 3 weightage.

7. "Without adequate information the investor cannot carry out the investment programme"—
Discuss.
8. What is portfolio diversification? How can efficient diversification be achieved ? Explain.
9. Explain the bond price theorem.
10. Write a short notes on CML and SML.
11. Discuss the relationship between fundamental analysis and efficient market hypothesis.
12. What is portfolio revision and portfolio selection ?

Turn over

13. "Risk is inherent part of the investment activity, systematic risk can not be avoided; however non-systematic risk can be avoided". Explain.
14. Write the essential difference between the Sharpe's and Treynor's model of portfolio performance? Discuss in detail.

(6 × 3 = 18 weightage)

Part C

Answer any two of the following.

Each question carries 6 weightage.

15. Assume that you know for certain that the market is heading towards the boom period. Should you buy a common stock based upon this information ?
16. "Moving averages not only smoothen the data, but also predict the market". Discuss.
17. Explain the steps in portfolio constructions as per traditional approaches.

(2 × 6 = 12 weightage)