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Total No. of Printed Pages: [01]

Total No. of Questions: [10]

MBA (Semester – 3rd)
SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
Subject Code: MBADD1-322
Paper ID: [20260117]

Time: 03 Hours

Maximum Marks: 60

Instruction for candidates:

1. Section A consists of 10 compulsory short notes of two marks each.
2. Section B consists of Four Units (Unit – I, II, III & IV). Each unit contains two questions of 8 marks each. Student has to attempt one question from each unit.
3. Section C (8 Marks): A short Case Study related to the syllabus.

Section – A

(2 marks each)

- Q1. Define the following:
- a) Unsystematic risk
 - b) Primary Market
 - c) Bearish Candle Stick
 - d) RSI
 - e) Return on Asset Ratio
 - f) Operating Leverage
 - g) Call Option
 - h) Sharpe ratio
 - i) Long Future
 - j) Speculation

Section – B

(8 marks each)

UNIT-I

- Q2. What are the main objectives of investment? Discuss various alternatives of investment.
- Q3. Explain Capital Asset Pricing Model. State its limitations. How it differs from Arbitrage Pricing Theory?

UNIT-II

- Q4. What is fundamental analysis? How economic analysis helps in investment decision making?
- Q5. What is RSI? How it is calculated. Discuss its significance in technical analysis.

UNIT-III

- Q6. What is portfolio revision? Why investors go for portfolio revision? Explain rupee cost average technique in portfolio revision technique.
- Q7. Explain Markowitz Portfolio selection model.

UNIT-IV

- Q8. What is difference between call options and put options? Explain Strangle strategies in derivatives? Under what conditions these strategies are used?
- Q9. What do you mean by Option Greeks? Discuss the Following:
- a) Rho
 - b) Theta

Section – C

(8 marks)

- Q10. Case Study:

You are financial analyst in an investment company. One day one of your clients came and asked you build a portfolio with specific securities. Two years later, you analyzed that the portfolio has yielded 12 per cent on average over past years. It is expected to offer a risk premium in future years of 7 per cent. The standard deviation of its return is 8 per cent. The risk-free rate is 5 per cent. To update the client about the performance of portfolio, you have to examine the following

- a) What is the expected return from the market portfolio?
- b) What is the expected return on a portfolio, if it will comprise 50% investment in the market portfolio and 50% investment in the risk-free asset?
- c) What is the risk of the portfolio in (b)?