Roll No…….. **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)?