Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS, PONDA-GOA

M. COM. (SEMESTER –II) EXAMINATION, APRIL 2014
CO204 SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Duration : 2 hours Total Marks: 50

Instructions: 1) All questions are compulsory
*2) Each Question Carries **10** marks.*

Q.1] **Answer the following**: (5 X 2 = 10)
a) Standard Deviation.
b) Short Selling.
c) Yield-to-Maturity.
d) Futures & Options
e) A company declared a dividend of ₹2. Find the Value of the share if the expected rate of return of the investor is 8% and dividend is expected to remain the same every year.

Q.2.A] What is unsystematic Risk? Explain the different types of Unsystematic Risk? (10)

OR

Q.2.B] What are the Leading, Coincident and Lagging indicators of the economy? How are these indicators helpful in forecasting the stock market? (10)

Q.3.A] Discuss the various forms of Efficient Market Hypothesis. (10)

OR

Q.3.B] "Technical Indicators are useful to find the overall direction of the market." Explain. (10)

Q.4.A] The Fashion Ltd Currently pays ₹ 5 per share as annual dividend. Assuming 8% required rate of return on shares (K_e). Compute the value of the shares under each of the following dividend growth rate assumptions.
a) Annual rate of growth Zero% Indefinitely
b) Annual constant rate of growth, 5% to infinity. (5)

Q.4.B] Explain Sharpe Performance Index. (5)

OR

P.T.O.

Q.4.X] Following data gives the market return and the Star company scrip return for a particular period

Index Return	6.5	3.3	3.1	4.3	7
Stock Return	7.6	2.1	2.9	3.6	6.2

What is the beta of the Star company scrip? (5)

Q.4.Y] Explain Support and Resistance Levels. (5)

Q.5.A] Noddy Corporation has a 15% Bond with a face value of ₹100 that matures at par in 15 years. The bond is callable in 5 years at ₹ 112. It currently sells for ₹102. Calculate each of the Bonds a) Current Yield b) Yield to Maturity c) Yield to Call. (10)

	5yrs,16%	5yrs,18%	15yrs,14%	15yrs,15%
PVIFA	3.27429	3.12717	6.14217	5.84737
PVIF	0.47611	0.43711	0.14010	0.12289

OR

Q.5.B] Following are the two Investments **A and B**: - (10)

Probability	0.10	0.20	0.40	0.20	0.10
Return of A	20	30	40	50	70
Return of B	10	20	30	35	40

a) Calculate Expected Return and Standard Deviation of each of the two Investments.

b) Calculate the expected return and Standard Deviation of a portfolio in which 50% of funds are invested in A and Balance in B.

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