Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE
AND ECONOMICS, PONDA-GOA   APRIL 2016 (R)

M.COM. (SEMESTER-II) EXAMINATION
CO204 SECURITY ANALYSIS & PORTFOLIO MANAGEMENT (OB10A)

Duration: 2 hours   Total Marks: 50

Instructions: *1) Answer **all** questions.*
                   *2) Each question carries **10** marks.*

Q.1] Answer the following: (5X2=10)
   a) What is call option and put option?
   b) What do you mean by Sharpe's performance index?
   c) What is EIC?
   d) What is yield to Call of a bond?
   e) What is Security Analysis?

Q.2A] What is Systematic Risk? What are the different types of systematic risk?   (10)
                                   OR
Q.2B] What is Dow Theory? Explain its importance in Technical Analysis.   (10)

Q.3A] What is CAPM? Explain its assumptions.   (10)
                                   OR
Q.3B] Explain the various forms of Efficient Market Hypothesis.   (10)

Q.4A] Fashion Big Bazar currently pays Rs 5 per share as annual dividend. Assuming 8%
      required rate of return on shares (Ke). 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.   (10)

                                   OR

Q.4B] Following are the two investment X and Y: -

Probability	0.10	0.20	0.40	0.20	0.10
Return of X	10	20	30	35	40
Return of Y	20	30	40	50	70

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 X and Balance in Y

(10)

Q.5A] Consider the following information for three mutual funds Reliance mutual fund, Tata mutual fund and HDFC mutual Fund and the market index.

	Mean Return	Std. Dev	Beta
Reliance mutual fund	18	26	1.1
Tata mutual fund	14	19	1.0
HDFC mutual Fund	16	23	0.9
Market index	17	21	1.00

The mean risk free rate was 10%. Calculate the Treynor measure, Sharpe measure and Jensens measure for the three mutual funds and the market index. **(10)**

OR

Q.5B] ABC Corporation has a 15% Bond with a face value of Rs.100 that matures at par in 15 years. The bond is callable in 5 years at Rs 112. It currently sells for Rs 102. Calculate each of the bonds a) Current Yield b) Yield to maturity c) Yield to call.

(10)