

GVM'S GGPR College of Commerce & Economics, Ponda - Goa

M.Com Semester IV End Examination, April 2023

COO430 – Security Analysis & Portfolio Management

Duration: 3 Hours

Maximum Marks: 60

Instructions: 1.This paper consists of **9 questions** carrying equal marks.

2. Question no.1 consists of **5 Compulsory questions of 2 marks each.**

3. Answer **any 5 questions** from question No. 2 to 9.

4. Each question carries 10 marks. Figures to the right indicate full marks.

Q1. Answer the following questions:

(5 *2=10 Marks)

- a) What are the different motives of investing in securities markets?
- b) What is diversification of portfolio?
- c) Write any two points of difference between sharpe ratio and treynor ratio.
- d) Aarav estimates that from investment on stock 'A' he would get 15% dividend next year. It would continue to grow by 10% for the rest of the years. The selling price is ₹40. He needs a return of 20% per year for his son's educational expenses. Can he invest on stock 'A'? Calculate using constant growth model.
- e) An investor is contemplating a stock at ₹100 per share today that pays a 3% annual dividend. The stock has a beta compared with the market of 1.3, risk free rate is 3% and this investor expects the market to rise in value by 8% per year. Calculate the expected return on stock based on CAPM.

Q2.What is economic analysis in securities market? Explain any five factors affecting economic analysis. **(10 Marks)**

Q3. Answer the following questions:

(2 *5=10 Marks)

- a) What is trend and short selling in technical analysis?
- b) What is technical analysis? Explain any five assumptions of technical analysis.

Q4. What is debt security? Explain the features of debt security with an example.

(10 Marks)

Q5. Answer the following questions: (2 *5=10 Marks)

- a) What are bonds? Explain the different types of risk involved in investing into bonds.
- b) Explain yield curve with the help of a diagram.

Q6. Answer the following questions: (2 *5=10 Marks)

- a) What are the different problems faced by the investors after diversification of their portfolio?
- b) Explain the concepts of feasible set of portfolio and efficient frontier.

Q7. Answer the following questions: (2 *5=10 Marks)

- a) Explain any five objectives of portfolio management.
- b) Explain arbitrage pricing theory.

Q8. What are formula plans in portfolio revision? Explain any four assumptions and advantages of formula plans. (10 Marks)

Q9. Why there is a need for portfolio revision? Also explain the strategies of portfolio revision. (10 Marks)

-----XXX-----