

(Following Paper ID and Roll No. to be filled in your Answer Books)

Paper ID : 2289858

Roll No.

--	--	--	--	--	--	--	--	--	--

MBA

Regular Theory Examination (Odd Sem-III), 2016-17

SECURITY ANALYSIS AND INVESTMENT MANAGEMENT

Time : 3 Hours

Max. Marks : 100

SECTION - A

1. Answer all parts of this question. Each part carries 2 marks. (10×2=20)
- a. What is investment? Is investment different from speculation?
 - b. Write the key features of national stock exchange.
 - c. Distinguish between a put and call options with examples.
 - d. Write a note on stock index.
 - e. What is beta? It is a better measure of risk than the standard deviation?
 - f. Distinguish between the open - end and closed - end mutual funds.
 - g. What is Depository?

- h. What is the role of P/E ratio in buy and sell decision?
- i. Define Optimum Portfolio.
- j. Define Arbitrage Pricing Theory.

SECTION - B

Attempt any **Five** of the following : **(5×10=50)**

- 2. What is Dow Theory and how is it used to determine the better direction of stock market?
- 3. What are the powers vested with SEBI to promote the development of securities market and protect the interests of investor?
- 4. What are the basis dimensions of fundamental analysis? How fundamental analysis is different from technical analysis?
- 5. "Stock is considered to be risky but bonds are not". This is not fully correct. Elucidate.
- 6. What do you mean by an options and futures contracts in derivative? Explain the role of Cleaning houses in trading of such contracts.
- 7. What are the advantages of adopting CAPM model in the portfolio management?
- 8. Describe the basic arbitrage pricing theory model of two factors.
- 9. Distinguish between Treynor and sharpe indices of portfolio performance? Which do you recommend? Why?

SECTION - C

Attempt all questions

(2×15=30)

10. An investor finds the following position in respect of two bonds I and II

	Face Value	Coupon rate	Life	Market price
Bond I	5000	8.50%	3 year	9900
Bond II	10000	8.75%	4 years	4950

Given that Coupon interest is payable annually and the required rate is 90%. Find out the value of both bonds. Which one is better to invest in?

11. The return on securities A and B are given below :

Probability	Security A	Security B
0.5	4	0
0.4	2	3
0.1	0	3

Give the security of your preference. The security has to be selected on the basis of risk and return.
