Reg. No. | | | | | | | | | |

MBAS 505

Third Semester M.B.A. Degree Examination, December 2018
BUSINESS ADMINISTRATION
Security Analysis and Portfolio Management

Time : 3 Hours Max. Marks : 70

SECTION – A

Note : Answer **any two** questions. **Each** question carries **10** marks. Answer to **each** question should **not** exceed **5** pages. **(2×10=20)**

1. Differentiate between capital and money market. Explain the commonly available capital and money market securities.
2. Explain briefly various objectives and steps involved in Portfolio Management.
3. Discuss the industry analysis as a fundamental approach.

SECTION – B

Note : Answer **any three** questions. **Each** question carries **12** marks. Answer to **each** question should **not** exceed **6** pages. **(3×12 =36)**

4. Explain CAPM with assumptions. What are the advantages of ATP over CAPM ?
5. Discuss the various forms of market efficiency. What do they have in common ?
6. 'Technical Analysis is useful for predicting individual share prices as well as the direction of the market as a whole'. Discuss this statement with the help of suitable examples and illustrations.
7. Stock L and M have yielded the following returns for the past two years.

Year	**Returns (%)**	
	L	M
2016	12	14
2017	18	12

a) What is the expected return on a portfolio made up of 60% of L and 40% of M ?

b) Find out the S.D. of each stock.

c) What is the covariance and co-efficient of correlation (r) between stocks L and M ?

d) What is the portfolio of risk of a portfolio made up of 60% of L and 40% of M ?

8. Wisdom fund, T-bill and BSE-Sensex have had the following returns over the past 5 years.

Period	**Wisdom fund return %**	**T-Bills return %**	**BSE-Sensex return %**
2013	9	6	6
2014	– 6	10	– 5
2015	14	8	11
2016	12	7	10
2017	16	9	13

What is the predictive ability of the fund ?

SECTION – C

(Compulsory)

Note : Answer to this question should **not** exceed **6** pages. **(1×14=14)**

9. The following information is provided regarding the performance of the Blue chip fund, Leading sector fund and contra fund for a period of six months ending December 2017. The risk free rate of interest is assumed to be 9%. Rank the funds with the help of Sharpe Index and Treynor Index and discuss it.

Fund Type	R_p	σP	β
Blue chip	25.38	4	0.23
Leading sector	25.11	9.01	0.56
Contra	25.01	3.55	0.59

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