M COM DEGREE (CSS) EXAMINATION, JANUARY 2022

Third Semester

Faculty of Commerce

CORE - CM010303 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

M.COM FINANCE AND TAXATION, M.COM MARKETING AND INTERNATIONAL BUSINESS, M.COM MANAGEMENT AND INFORMATION TECHNOLOGY

2019 Admission (Private - Regular)

075694A2

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

*Weight **1** each.*

1. What is speculation?

2. Explain financial asset with example.

3. What is diffusion index?

4. What is PE ratio?

5. What do you mean by 'corrections' in Dow Theory?

6. What is double top and double bottom pattern?

7. Make a note on Markowitz Model

8. Explain Security Market Line.

9. What do you mean by passive portfolio revision strategies?

10. What do you mean by indexation strategy?

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

*Weight **2** each.*

11. Explain Savings Vs. Investment

12. Discuss the different types of bonds.

13. Discuss Michael Porter's Five Force Model.

14. Write a note on support and resistance line.

15. Calculate RSI from below table and make comments.

Days	1	2	3	4	5	6	7	8	9	10
Closing Price of Stock (in Rs.)	40	45	43	41	39	37	39	41	45	41

16. Fama identified three distinct levels (or 'strengths') of market efficiency. Thus, the theory subdivided an efficient market under 3 forms. Write a note on those 3 forms of efficient market.

17. Portfolio construction is based on Expected risk and return from the risk. Explain.

18. *Mr. Lem is a risk averse individual. He is advised to buy the following stock in 25% T, 50% H and 25% M. The details regarding the stocks are*

Stock	Beta	Individual Variance
T	.84	5
H	.96	9
M	1.25	12

The Market return variance is 64. What is the portfolio Risk?

(6×2=12 weightage)

Part C (Essay Type Questions)
Answer any **two** questions.

Weight **5** each.

19. Explain investment process.

20. Explain the different types of risk.

21. Compare the merits and demerits of fundamental analysis and technical analysis.

22. X and Y are two mutual fund schemes. X has a mean success of .15 and Y has .22. The Y has double the Beta of X's 1.5. The standard deviation of X and Y are 15% and 21.43%. The mean return of market index is 12% and its standard deviation is 7%. The risk free rate is 8%.
Compute the Jenson's index for each fund.
Compute the Treynor and Sharpe indices for the funds. Interpret the results.

(2×5=10 weightage)