

PGDM THIRD SEMESTER EXAMINATION - 2011

PAPER BM3.05(F) : SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Time : 3 hours

Max. Marks : 100

- Note :*
- i) Answer ALL the questions.
 - ii) Do as directed in each of the Sections A, B and C.
 - iii) All questions carry equal marks.
 - iv) The figures in the right-hand margin indicate marks-composition.

SECTION-A

1. Discuss any FOUR of the following in about 200 words each : (4 x 5)
- (a) Explain in brief the process of investment
 - (b) Enlist the key features of a stock exchange
 - (c) What are the chief components of investment risk?
 - (d) Analyse in brief the industry life cycle.
 - (e) Explain the concept of diversification
 - (f) If equity stock holders are the owners of the company, why do they have last claim on assets and income?

SECTION-B

EITHER

2. (a) Write a brief note on various investment categories. (10)

AND

- (b) Explain the attributes that one should consider while evaluating an investment proposal. (10)

OR

- (c) Explain the trading procedure in a typical stock exchange. (10)

AND

- (d) Write a critical note on the role and performance of NSE. (10)

Contd.....2/

EITHER

3. (a) The returns on securities x and y are as follows : (10)

Probability	Security x	Security y
.5	4	0
.4	2	3
.1	0	3

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

AND

- (b) Analyse the various methods of security valuation. (10)

OR

- (c) What are the statistical tools used to measure the risk of the securities returns? Discuss. (10)

AND

- (d) "Stocks are considered to be risky but bonds are not". Elucidate. (10)

EITHER

4. (a) Explain the important tools for the financial analysis of a company. (10)

AND

- (b) Discuss the reasons of current down fall in Indian stock market. (10)

OR

- (c) Discuss the Sharpe Index Model and also explain how does one arrive to an optimum portfolio. (10)

AND

- (d) Enumerate the impact of combining securities in a Three Securities Case. (10)

SECTION-C

5. Write short notes on any two of the followings : (10 + 10)

(a) Speculation and Gambling

(b) Type of investors

(c) Market Indicators

(d) Equity investment

(e) Major stock exchanges of the world

