



K21P 0264

Reg. No. : .....

Name : .....



IV Semester M.Com. Degree (C.B.S.S. – Reg./Suppl. (Including Mercy  
Chance)/Imp.) Examination, April 2021  
(2014 Admission Onwards)

Elective – A : Finance

COM4E01 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : 3 Hours

Max. Marks : 60

Answer **any 4**. Each carries **1** mark for Part **A**, **3** marks for Part **B** and **5** marks for Part **C**.

1. A) List out two examples for high risk and risk free assets.  
B) Write the difference between money market and capital market on the basis of participants, expected return, safety and instruments.  
C) Explain any five general features of capital market and money market.
2. A) What do you mean by hedging ?  
B) Narrate the trading objectives of investors, speculators and arbitrageurs and how they strengthen the stock market.  
C) Explain how SEBI protect the interest of investors in Indian capital market.
3. A) What is the Yield To Maturity of a Bond ?  
B) What is interest rate risk of a Bond ? Explain how the risk arises.  
C) ABC Ltd. has a 14% debenture with a face value of Rs. 100 that matures at par in 15 years. The debenture is callable in 5 years at ₹ 114. It currently sells for ₹ 105. Calculate yield to call of the debenture. (The PV annuity factor 5 years 15% is 3.3522, 5 years 14% is 3.4331 and the PV factor 5 years 15% is 0.4972, 5 years 14% is 0.5194).
4. A) What is intrinsic value of a share ?  
B) List out the advantages and drawback of constant growth models for share valuation.  
C) Explain the concept of Efficient Market theory and the various forms of market efficiency.



5. A) What is systematic risk ? List two reasons which brings systematic risk.  
 B) What is the Prospect Theory ? What is the relevance of this theory in investment decisions ?  
 C) Describe is Capital Asset Pricing Model and its relevance in investment decision, How do you explain  $R_f$  and Beta ( $\beta$ ) of the model to an investor ?

6. A) What is an aggressive portfolio strategy ?  
 B) Mr. Ayaan have the following are information regarding two funds and the market index

Fund	Return (%)	Standard Deviation	Beta
Fund I	7	15	0.72
Fund II	16	35	1.33
Market Index	10	24	1

Assuming the risk free return 6%. Calculate the differential return of the two funds as per Jensen Ratio.

- C) Discuss the factors that should be considered by an investor in portfolio selection process.
7. A) What is NAV ?  
 B) What is ADR and GDR and list any two differences ADR and GDR ?  
 C) "Investing in securities through mutual fund is a better choice than direct investment". Examine the statement.
8. A) What is risk premium ?  
 B) What is secondary market, list out the functions of Secondary Market analysis ?  
 C) What is fundamental analysis ? Briefly explain the various factors considered in a industry.

Answer the following questions. **Each** carries 12 marks :

9. A) What is technical analysis ? How technical analyses help an investor for predicting the price movements in the financial market ? Briefly explain the various charts and patterns used for technical analysis.

OR



- B) How does SEBI regulate the Capital Market of India ? List out the functions of SEBI.

OR

- C) Discuss the need of portfolio revision. Explain, are the various strategies and techniques used for portfolio revision.

10. A) Explain the objectives and phases of Portfolio management.

OR

- B) Explain the role, importance and functions of security market in India.

OR

- C) List the various participants and explain their roles in Financial Market.