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MBA

(SEM III) THEORY EXAMINATION 2017-18

SECURITY ANALYSIS AND INVESTMENT MANAGEMENT

Time: 3 Hours ***Total Marks: 100***

Notes: *Attempt all Sections. Assume any missing data.*

Q1. Answer any two parts- **(10x2=20 marks)**

a) Define investment. Is it safe to invest in Indian stock market? Elucidate by throwing light on the current investment scenario in the Indian market.
b)"Investor protection is the vital objective of the stock market regulator."In view of the statement what are the steps taken by SEBI to protect investors?
c) Define new issue market. How does it differ from secondary market also state the challenges faced by the new issue market in post financial crisis?

Q2.Answer any two parts- **(10x2=20 marks)**

a) Distinguish between Fundamental and technical analysis. As an analyst who do you prefer give suitable reasons?
b) Discuss the role of private placements in raising resources in the primary capital market.
c) Explain some of the well known charting methods in conducting technical analysis? Are they a useful indicator? Discuss.

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Q3.Answer any two parts - **(10x2=20 marks)**

a) Explain efficient market hypothesis and its implications for investment decision.
b)"Investing in equity is considered as always risky but it also provides long term gains."What approaches toward equity valuation are used which could help in making the right investment decision.
c) Define derivatives. Explain different kind of derivative instruments.

Q4.Attempt any two parts- **(10x2=20 marks)**

a) Explain Markowitz's theory of portfolio construction.
b) Define portfolio diversification. How can efficient diversification be achieved? Explain.
c) Explain the capital asset pricing model.

Q5.Attempt any two parts- **(10x2=20 marks)**

a) Differentiate among the following performance measure namely Sharpe, treynor and Jensen measure .Also describe how these are calculated and stating their relevance in measuring risk.
b) Define mutual fund and also explain its structure .How mutual funds could be one of the better investment option as compare to some of the traditional investment options.
c)If the risk free return is 10% and the expected returns on BSE index is 18%,risk measured by standard deviation is 5%, how would you construct an efficient portfolio to produce a 16% expected returns.

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