19. (a) Explain the types of Efficient Market Hypothesis.

Or

(b) Discuss the various tools used in Technical Analysis.

20. (a) Explain the benefits of Portfolio Management.

Or

(b) Explain the Portfolio planning process.

PART C — (3 × 10 = 30)

Answer any THREE questions.

21. Explain the different factors affecting Valuation of Bonds.

22. Explain the advantages and disadvantages of Equity option Trading.

23. Explain the approaches to Equity Stock Valuation.

24. Discuss the company analysis used to evaluate the Equity Stock.

25. Explain the methods of performance evaluation in Portfolio.

———————





(For candidates admitted from 2022–2023 onwards)

M.B.A. DEGREE EXAMINATION, NOVEMBER 2023.

Business Administration — Elective

# SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : Three hours Maximum : 75 marks

PART A — (20 Marks)

Answer ALL questions.

I. Multiple Choice Questions (5 × 1 =5)

1. The principal amount of a bond that is repaid at the end of the loan term is called the
   (a) Coupon (b) Face value
   (c) Maturity (d) Yield to maturity

2. Required rate of return>Coupon rate, the bond will be valued at
   (a) Premium (b) Par value
   (c) Discount (d) None of the above

3. The valuation of equity by the discounted cash flow techniques depends on:
   (a) Expected dividends
   (b) Cash flows
   (c) Earnings
   (d) All of these

4. Modern portfolio theory ___________ the relationship between risk and return

(a) Maximizes (b) Minimizes

(c) Quantifies (d) Does not assume

5. Technical analysis reflects the idea that stock prices:

(a) Move upward over time

(b) Move inversely over time

(c) Move in trends

(d) Move randomly

(B) Fill in the blanks (5 × 1 = 5)

6. The object of portfolio is to reduce ___________ by diversification.

7. The smallest unit of capital is known as ___________

8. A combination of various investment products like bonds, shares, securities, mutual funds and so on is called as ___________

9. ___________ is based on tips, rumours and hunches, unplanned and without knowledge of the exact nature of risk.

10. ___________ risk is the risk of investments declining in value because of economic developments or other events that affect the entire market.



II. Answer ALL questions (5 × 2 = 10)

11. What is Security Analysis?

12. What is Forward Contract?

13. Define Index Future.

14. What is Fundamental Analysis?

15. List down the objectives of Portfolio Management.

PART B — (5 × 5 = 25)

Answer ALL questions, Choosing either (a) or (b).

16. (a) Explain the different types of Bonds.

Or

(b) Discuss the benefits of Bond Swapping.

17. (a) Explain the two types of Equity Option.

Or

(b) Explain the concept of Economic Analysis in Equity option Theory.

18. (a) Explain the various application of Index Future.

Or

(b) Explain the methods of valuation of Equity Shares.