



QP CODE: 24044906



Reg No : .....

Name : .....

**M.Com DEGREE (CSS) EXAMINATION, OCTOBER 2024**

**Third Semester**

**CORE - CM010303 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

M.COM FINANCE AND TAXATION (SF), M.COM FINANCE AND TAXATION, M.COM MARKETING  
AND INTERNATIONAL BUSINESS (SF), M.COM MANAGEMENT AND INFORMATION  
TECHNOLOGY (SF), MASTER OF COMMERCE AND MANAGEMENT

2019 ADMISSION ONWARDS

1C737B26

Time: 3 Hours

Weightage: 30

**Part A (Short Answer Questions)**

*Answer any **eight** questions.*

*Weight 1 each.*

1. Distinguish between financial assets and physical assets.
2. What do you mean by investment process?
3. State any two objectives of fundamental analysis.
4. What do you mean by trends and trend reversals?
5. What is the basic assumption of Markowitz Model?
6. What is meant by Risk free assets in a portfolio?
7. Explain portfolio evaluation.
8. What do you mean by portfolio upgrading?
9. Raja owns Rs.1000 face value bonds with 5 year maturity. The annual coupon payment is Rs.75. The bond is currently priced at Rs. 960. The appropriate discount rate is 10%. Should Raja hold or sell the bond
10. Calculate ROC if the price of AB company's share is 12 and price twelve days ago was 10.

(8×1=8 weightage)

**Part B (Short Essay/Problems)**

*Answer any **six** questions.*

*Weight 2 each.*

11. What do you mean by the term volatility? Briefly explain types of securities having volatile rate of returns.





12. Discuss Michael Porter's Five Force Model.
13. Explain the procedure for forecasting earnings
14. What are the assumptions of Dow Theory?
15. What are the various types of head and shoulder patterns used in technical analysis?
16. Why technical analysis is not applicable in weak form efficient market but fundamental analysis can?
17. *The stocks A and B have return of 500 and 540 respectively in the year 2018 and 590, 600 for the year 2019. What is the expected return on a portfolio made up of 70% of A and 30% of B. And find out the risk of each stock separately.*
18. Consider two mutual fund schemes A and B having returns of 25% and 20% respectively. It appears that the former performed better than the later. The risk of fund is 10% and that of B fund is 7%, the risk free rate is 8%. Evaluate the performance of the funds.

(6×2=12 weightage)

### Part C (Essay Type Questions)

Answer any **two** questions.

Weight 5 each.

19. Explain the different types of bonds and discuss the various risks related to investment in bond.
20. Write a note on various mathematical indicators used for technical analysis.
21. What do you mean by formula plans? Discuss various formula plans adopted by investors for portfolio revision .
22. *Mr. Zero wants to construct a portfolio with four popular stocks. You have to estimate the portfolio return and portfolio variance from the following details. The market return is 26 and market return variance is 48.*

<i>Stock</i>	<i>Alpha</i>	<i>Beta</i>	<i>Residual Variance</i>
<i>A</i>	<i>1.25</i>	<i>.85</i>	<i>62.51</i>
<i>B</i>	<i>1.72</i>	<i>.95</i>	<i>89.72</i>
<i>C</i>	<i>2.12</i>	<i>1.10</i>	<i>136.52</i>
<i>D</i>	<i>2.23</i>	<i>1.23</i>	<i>45.36</i>

*Make a comment on the portfolio risk and return*

(2×5=10 weightage)

