Code No: MB1335/R13

MBA III Semester Regular/ Supplementary Examinations, November-2016

INVESTMENT MANAGEMENT

Time: 3 Hours **Max. Marks: 60**

Answer Any **FIVE** *Questions*
All Questions Carry Equal Marks
Question No. 8 is Compulsory

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1. a Discuss Systematic risk and un-systematic risk in portfolio management. 6 M
   b Describe the relationship between fundamental analysis and technical analysis. 6 M

2. a Explain detailed procedure of valuation of debt securities. 6 M
   b ABC ltd. paid its first cash dividend Rs. 2.50 and growth rate is 20% for next 3 years and thereafter it will grow at 10%. Return is 15% find out value of share. 6 M

3. a. Explain the SEBI regulations for primary market operations. 6 M
   b. Discuss the objectives of Investment decisions? 6M

4. a Explain the Arbitrage Pricing Theory (APT) with assumptions. 6 M
   b Explain in the detailed procedure of National Stock Exchange. 6 M
   Discuss the Markowitz and Shorpe's portfolio construction theories

5. a What is meant by Portfolio Revision? And explain the criteria for revision of portfolio. 6 M
   b What is Mutual Fund? And explain different types of mutual funds schemes. 6 M

6. a What is Bond? And explain valuation of deep discount bonds. 6 M
   b Discuss about the Jensen's and Sharpe's performance index models. 6 M

7. Discuss the Capital Asset Pricing Model (CAPM) and its application in portfolio selection. 12M

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8. 1. **CASE STUDY**: 12M

The following parameters are available for the five mutual funds.

Fund	***P***	***Q***	***R***	***S***	***M***
Expected return %	15	18	17	16	20
Beta	0.5	0.8	0.7	0.6	1.0

a) Calculate Treynor's performance index and rank the funds on the assumption that risk free rate (M) is 8% and alternatively that T-5%.

b) What should be the risk free rate (M) such that funds P & Q will have the same Treynor's performance index?

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