(42005)

M.B.A. DEGREE EXAMINATION, APRIL/MAY – 2020.

FOURTH SEMESTER

Paper V — SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : Three hours Maximum : 70 marks

(No additional sheet will be supplied)

PART A — (5 × 3 = 15 marks)

Answer ALL questions.

Each questions carries 3 marks.

Each answer should not exceed 1 page.

1. IPO

2. Yield to Maturity

3. Dow Theory

4. Arbitrage Pricing Theory

5. Portfolio Revision

PART B — (5 × 8 = 40 marks)

Answer ALL questions.

Each answer carries 8 marks.

Each answer should not exceed 5 pages.

6. Enumerate and elucidate on various types of securities in capital markets.

Or

7. Discuss the characteristic of Investors, Speculators and Gamblers. Explain the impact on the investment process.

8. Distinguish between systematic Vs Non-Systematic risk.

Or

9. What is un-systematic risk? Explain the different types of un-systematic risk.

10. Write about the essentials, advantages and limitations of technical analysis.

Or

11. Illustrate moving average convergence, divergence.

12. Compare and contrast between CAPM Vs ABT.

Or

13. Write about three forms of market efficiency.

14. Briefly discuss the strategies of portfolio revision.

Or

15. Describe the instances of decomposition of portfolio returns.

PART C — (1 × 15 = 15 marks)

(Compulsory)

Case analysis

16. Consider two bonds, A and B both having face values of $ 10,000, yields-to-maturity of a percent, and four years to maturity. Bond A has a coupon rate of 10 percent and bond B has a coupon rate of 7.5 percent. Coupons are paid annually.

(a) Calculate the duration of bonds A and B.

(b) Explain the difference in duration between the two bonds.