**QP CODE: F 7027** 

# M COM DEGREE (CSS) EXAMINATION, JANUARY 2022

## **Third Semester**

Faculty of Commerce

## CORE - CM010303 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

M.COM FINANCE AND TAXATION, M.COM MARKETING AND INTERNATIONAL BUSINESS, M.COM MANAGEMENT AND INFORMATION TECHNOLOGY

2019 Admission (Private - Regular)

075694A2

Time: 3 Hours

Weightage: 30

### Part A (Short Answer Questions)

Answer any eight questions.

Weight **1** each.

- 1. What is speculation?
- 2. Explain financial asset with example.
- 3. What is diffusion index?
- 4. What is PE ratio?
- 5. What do you mean by 'corrections' in Dow Theory?
- 6. What is double top and double bottom pattern?
- 7. Make a note on Markowitz Model
- 8. Explain Security Market Line.
- 9. What do you mean by passive portfolio revision strategies?
- 10. What do you mean by indexation strategy?

(8×1=8 weightage)

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

Answer any **six** questions.

Weight 2 each.

- 11. Explain Savings Vs. Investment
- 12. Discuss the different types of bonds.



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- 13. Discuss Michael Porter's Five Force Model.
- 14. Write a note on support and resistance line.
- 15. Calculate RSI from below table and make comments.

Days	1	2	3	4	5	6	7	8	9	10
Closing Price of Stock (in Rs.)	40	45	43	41	39	37	39	41	45	41

- 16. Fama identified three distinct levels (or 'strengths') of market efficiency. Thus, the theory subdivided an efficient market under 3 forms. Write a note on those 3 forms of efficient market.
- 17. Portfolio construction is based on Expected risk and return from the risk. Explain.
- 18. Mr. Lem is a risk averse individual. He is advised to buy the following stock in 25% T, 50% H and 25% M. The details regarding the stocks are

Stock	Beta	Individual Variance			
Т	.84	5			
Н	.96	9			
М	1.25	12			

The Market return variance is 64. What is the portfolio Risk?

(6×2=12 weightage)

#### Part C (Essay Type Questions)

Answer any **two** questions.

Weight 5 each.

- 19. Explain investment process.
- 20. Explain the different types of risk.
- 21. Compare the merits and demerits of fundamental analysis and technical analysis.
- 22. X and Y are two mutual fund schemes. X has a mean success of .15 and Y has .22. The Y has double the Beta of X's 1.5. The standard deviation of X and Y are 15% and 21.43%. The mean return of market index is 12% and its standard deviation is 7%. The risk free rate is 8%. Compute the Jenson's index for each fund.

Compute the Treynor and Sharpe indices for the funds. Interpret the results.

(2×5=10 weightage)