

**ANURAG Engineering College**

(An Autonomous Institution)

II MBA I Semester Regular/Supplementary Examinations, January–2025

**SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT****(MASTER OF BUSINESS ADMINISTRATION)****Time: 3 Hours****Max. Marks: 60****Section – A (Short Answer type questions)****(10 Marks)****Answer All Questions**

	Course Outcome	B.T Level	Marks
1. Define the term 'Investment'?	CO1	L1	1M
2. Write Roles of SEBI	CO1	L1	1M
3. What is meant by Factor Sensitivity?	CO2	L1	1M
4. What are the basic assumptions of CAPM?	CO2	L1	1M
5. What is modified duration?	CO3	L1	1M
6. What is Holding period return?	CO3	L1	1M
7. Explain the EVA model?	CO4	L1	1M
8. What is Efficient Market Hypothesis?	CO4	L1	1M
9. What is meant by mutual funds?	CO5	L1	1M
10. What is Net Asset Value?	CO5	L1	1M

**Section B (Essay Questions)****Answer all questions, each question carries equal marks.****(5 X 10M = 50M)**

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| 11. A) "Investment is well grounded and carefully planned speculation". In the light of statement explain and differentiate between 'investment' and 'speculation'. How do they differ from 'gambling'?                          | CO1 | L2 | 10M |
| <b>OR</b>  |     |    |     |
| B) Discuss the recent developments in the primary capital market in India?   | CO1 | L3 | 10M |
| 12. A) Distinguish between CAPM and Arbitrage Pricing Theory (APT)?  | CO2 | L3 | 10M |
| <b>OR</b>  |     |    |     |
| B) Explain the difference between Markowitz model and Sharpe single index model?   | CO2 | L2 | 10M |
| 13. A) How would you assess the present value of bond? Explain the various bond value theorems with examples?  | CO3 | L2 | 10M |
| <b>OR</b>  |     |    |     |
| B) Consider two bonds each Rs 1000 an 18 percentage 7-year bond, and a 15 percentage 5-year bond both with annual coupon. Find the duration of the two bonds assuming 12 percentage discount rate coupons. Compare your results? | CO3 | L3 | 10M |
| 14. A) What part do the growth rate of earnings, dividend, and the future P/E play in the valuation equation?  | CO4 | L3 | 10M |
| <b>OR</b>  |     |    |     |
| B) Discuss factors considered to be most important in appraising companies in different industries?  | CO4 | L3 | 10M |

15. A) XYZ and ABC are the two mutual funds. XYZ has a sample mean of success 13 and fund ABC has sample mean of success 18 with the riskier fund ABC having double the beta at 2.0 as fund XYZ. The respective standard deviation is 15% of ABC and 19% of XYZ. The mean return for market index is 12 while the risk-free rate is 18%.  
i) Compute the Jensen Index for each of the funds. What does it indicate?  
ii) Compute the Treynor index for the funds, Interpret the results and compare it to the Jensen index
- OR**
- B) Distinguish between the open-end and closed-end mutual funds?
- |     |    |     |
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| CO5 | L3 | 10M |
| CO5 | L3 | 10M |