

1857

**MBA 3rd Semester Examination**  
**Security Analysis & Investment Management (NS)**

**FM-02**

**Time : 3 Hours**

**Max. Marks : 60**

*The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/continuation sheet will be issued.*

**SECTION - A**

*Answer all the questions. Each question carries 2 marks.*

1. Explain the concept of systematic risk.
2. Distinguish between investment & speculation.
3. Explain the concept of industry life cycle.
4. What is meant by Portfolio revision?
5. Explain about constant Rupee value plan.
6. What is Modern Portfolio Analysis?
7. What is Beta?
8. Describe the multiplier approach to share valuation.
9. What is Arbitrage Pricing theory?
10. What are relative valuation techniques? (2×10=20)

**[P.T.O.]**

**SECTION - B**

*Answer any four of the following. Each question carries 5 marks.*

11. Explain the mean variance approach to estimation of return & risk of a security.
12. Describe the chart patterns that help to identify trend reversal.
13. Explain the concept and process of portfolio analysis.
14. What is yield to maturity? How is it calculated?
15. Briefly describe the technique of short term economic forecasting.
16. What is meant by optimal portfolio? How is it identified?  
(4×5=20)

**SECTION - C**

*Attempt only two questions from this section. Each question carrying 10 marks.*

17. What is company analysis? Explain how financial ratios can be used to determine the strengths & weakness of a company.
  18. What happens to risk of a portfolio as more & more securities are added to the portfolio?
  19. Illustrate graphically how CAPM can be used for assessing whether a security is underpriced, overpriced or correctly priced.
  20. What is interest rate risk of a bond? Explain how the risk arises.  
(2×10=20)
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