



K22P 3343

Reg. No. :

Name :



IV Semester M.Com. Degree (C.B.S.S.) - Reg./Supple./Imp.)

Examination, April 2022

(2018 Admission Onwards)

Elective - A. Finance

COM4E01 : SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : 3 Hours

Max. Marks : 60

SECTION - A

Answer **any 4** questions. **Each** question carries **1** mark for Part - a, **3** marks for Part - b and **5** marks for Part - c.

1. a) Distinguish between investment and speculation.
b) Define Hedging. Explain short and long hedge.
c) What are the advantages and limitations of mutual funds ?
2. a) What is margin trading ?
b) What are the methods of floating new issues ?
c) Describe the functions of Stock Exchanges.
3. a) A company issues a deep discount bond of face value of Rs. 7,000 at an issue price of Rs. 5,555. The maturity period of the bond is 3 years. Determine the spot interest rate of the bond.
b) Describe the key economic variables that an investor must monitor as part of his fundamental analysis.
c) What is price charts ? Describe different types of price charts used by technical analysts.
4. a) What are financial derivatives ?
b) How a futures contract is different from a forward contract ?
c) What is an Option Contract ? What are its types ?

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5. a) Consider two securities P and Q with expected returns of 15 percent and 24 percent respectively, and standard deviation of 35 percent and 52 percent respectively. Calculate standard deviation of a portfolio weighted equally between the two securities if their correlation is -0.9 .
- b) What is CAPM ? What are its assumptions ?
- c) What is the implication of semi strong form of market efficiency for fundamental analysis ?
6. a) Describe the major constraints in portfolio revision.
- b) What are the different perspectives that can be adopted for evaluation of performance of a portfolio ?
- c) An investor owns a portfolio for the last five years and has produced 16.8 percent annual return and beta value of 1.10. If the risk free return and market return are 7.4 percent and 15.2 percent per year respectively. How would you evaluate the performance of this portfolio ? **(4×9=36)**

SECTION – B

Answer **any 2** questions, **each** question carries **12** marks.

7. a) Discuss the role and functions of SEBI in regulating stock market in India.

OR

- b) What is Portfolio Management ? Describe the different phases in portfolio management.

8. a) 'Investment in mutual fund is better than investment in stock market' Comment. Also describe different types of mutual funds.

OR

- b) Explain the steps involved in fundamental analysis for rational investment decision making. **(2×12=24)**
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