35526

Reg. No.

V Semester B.B.A. Degree Examination, March/April - 2023

BUSINESS ADMINISTRATION

Security Analysis and Portfolio Management

(CBCS Scheme Regular + Repeaters 2019-20)

Paper : FN 5.6

Time : 3 Hours **Maximum Marks : 70**

Instructions to Candidates:

Answer should be written only in English.

SECTION - A

I. Answer any FIVE sub-questions. Each sub question carries 2 marks. (5×2=10)

1. a) Mention any four investment goals of an Individual.

   b) Expand LIBOR and NSE.

   c) What is over valuation of Shares?

   d) Define the term "RISK".

   e) What do you mean by "Bonds in Perpetuity"?

   f) State two advantages of Investing in Mutual Funds.

   g) Give any Four examples of money market securities.

SECTION - B

II. Answer any THREE questions. Each question carries 5 marks. (3×5=15)

2. What are the characteristics of derivatives?

3. Distinguish between investment and speculation.

4. List out the steps involved in portfolio construction.

5. Find out the present value of bond if it matures after 4 years and yield Rs. 80 every year with a maturity value of Rs.120 and if the capitalization rate is 8%.

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SECTION - C

III. Answer any THREE questions. Each question carries 15 marks. (3×15=45)

6. Explain Fundamental analysis.

7. Distinguish between investment, Trading and Speculation.

8. Discuss the risks and returns associated with fixed income securities.

9. Consider the following information for 3 mutual funds P, Q, R and market index.

Fund	Return (Percent)	Standard Deviation (%)	Beta
P	15	20	0.9
Q	17	24	1.1
R	19	27	1.2
M(Market index)	16	20	1

The mean risk free rate is 10% Calculate the Treynor, Sharpe and Jensen measure for the 3 mutual funds and market index. The market return is 12%.