



**MBA DEGREE EXAMINATIONS: APRIL / MAY 2023**

(Regulation R2021A)

Second Semester

**MASTER OF BUSINESS ADMINISTRATION**

P21MBE0547: Security Analysis and Portfolio Management

**COURSE OUTCOMES**

**CO1:** Outline the functioning of the capital market and define the products traded in the Indian Capital Market.

**CO2:** Formulate Fundamental and Technical analyses for investments.

**CO3:** Construct optimal portfolios for making investment decisions.

**Time: Three Hours**

**Maximum Marks: 100**

**PART A (1Q x 20 Marks = 20 Marks)**

**Case Study**

- 1 The stock of AAB Limited performs well relative to other stocks during recessionary periods. CO3 [K4]  
The stock of BBC Limited, on the other hand, does well during growth periods. Both the stocks are currently selling for Rs 100 per share. Assess the rupee return (dividend plus price) of these stocks for the next year as follows:

	Economic Condition			
	High growth	Low growth	Stagnation	Recession
Probability	0.3	0.4	0.2	0.1
Return on AAB's stock	100	110	120	140
Return on BBC's stock	150	130	90	60

Calculate the expected return and standard deviation of investing:

- (a) Rs 1,000 in the equity stock of AAB Limited  
(b) Rs 1,000 in the equity stock of BBC Limited

**PART B (5Q x 6 Marks = 30 Marks)**

- 2 Recall the importance of financial market in businesses today. CO1 [K1]
- 3 List out the significance of NSE and BSE in the Indian stock market. CO1 [K2]
- 4 Compare between the Fundamental and Technical approach to stock market analysis. CO2 [K3]
- 5 List the importance of Beta in CAPM. CO3 [K3]
- 6 Why should Portfolios be revised? CO3 [K2]

**Part – C (5Qx10 Marks = 50 marks)**

**Answer Any Five Question only**

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|----|--|-----|-------------------|
| 7  | Explain the nature and importance of Stock market Indices. Explain the popular stock market indices in Indian context.         | CO1 | [K <sub>2</sub> ] |
| 8  | Explain the basic guidelines of investing. Identify the various investing avenues available for investors in today's scenario. | CO1 | [K <sub>1</sub> ] |
| 9  | Describe the industry life cycle. What are its implications for the investor?  | CO2 | [K <sub>3</sub> ] |
| 10 | Identify and discuss the key financial metrics employed in historical financial analysis of a company?                         | CO2 | [K <sub>4</sub> ] |
| 11 | Briefly explain the advantages, limitations and assumptions of Capital Asset Pricing Model.                                    | CO3 | [K <sub>3</sub> ] |
| 12 | How are portfolios evaluated? Highlight the different methods used in Portfolio evaluation. Recommend the a best method.       | CO3 | [K <sub>5</sub> ] |
| 13 | Explain the concept of systematic risk? How is systematic risk managed by investors? Give suitable examples.                   | CO2 | [K <sub>4</sub> ] |

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