

**R15**

Code No: 723AH

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD****MBA III Semester Examinations, April/May-2019****SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT****Time: 3 hours****Max.Marks:75****Note:** This question paper contains two parts A and B.

Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

**PART - A****5 × 5 Marks = 25**

- 1.a) Discuss about any two types of investment in secondary market. [5]
- b) Describe stages of company life cycle. [5]
- c) Discuss essential features of Bond and what are the advantages in Bond investment? [5]
- d) What is EPS and P/E ratio? [5]
- e) Explain SML with graph and how market risk premium of a given security is determined? [5]

**PART - B****5 × 10 Marks = 50**

2. "The investment process involves a series of activities leading to the purchase of securities or other investment alternatives." Elaborate all the activities involved in investment process. [10]

**OR**

3. "There are basically three tasks performed in process of buying and selling of securities Trading, Clearing and Settlement". Justify the statement. [10]

4. What are various basic tenets of Dow Theory? What are the various phases of bull and bear trend? Discuss in detail critical appraisal of Dow Theory. [10]

**OR**

5. Discuss in detail concept, origin, constitution and growth of fundamental analysis in India. What are latest methods commonly for fundamental analysis in corporate world in the current scenario? [10]

- 6.a) Discuss types of bond.
- b) What is bond's coupon?
- c) What is bond rating? [10]

**OR**

7. How bond market pricing works? What is benchmark pricing curve? An investor currently holds a bond whose par value is Rs 10,000. The bond is currently priced at a discount of Rs. 9592, matures in 30 months, and pays a semi-annual coupon of 5%. Calculate Yield to Maturity (YTM). [10]



8. What is dividend discount model? Estimate the intrinsic value of a stock which is currently trading at Rs.35 based on the following data:  
Required rate of return (i.e. cost of equity) is 10%.  
Current dividend per share is Rs.2.  
Dividend growth rate forever is 5%.  
Is the stock a good investment or not? [10]
- OR**
9. Write short notes on:  
a) Price / Book Value Ratio and Price / Sales Ratio  
b) EVA [5+5]
10. Discuss in detail with the help of example how Markowitz model and Capital Asset Pricing Model helps to measure market efficiency. [10]
- OR**
11. What do you mean by portfolio management? Discuss in detail about portfolio evaluation and revision techniques. What are the different forms of bond portfolio management strategies? Discuss in detail. [10]

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