



MBA III Semester Supplementary Examinations May 2019

INVESTMENT & PORTFOLIO MANAGEMENT

(For students admitted in 2017 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 (a) Explain the economic and financial meaning of investment and differentiates investor from speculator.
- (b) What are financial markets and instruments? How do they support investors and stock markets?

OR

- 2 What do you understand by stock markets? Write the role of BSE and NSE in price discovery.
- 3 Discuss and compare the main features of fundamental and technical analysis.

OR

- 4 Explain the nature and methodology of technical analysis. What are the differences between "Bar charting" and "Candle stick charting"?
- 5 What is return? Explain different methods of calculating return.

OR

- 6 Explain in detail about the systematic risk with examples.
 - 7 What are the basic valuation models of bonds? How do you calculate yield on bonds?
- OR**
- 8 Aswini Ltd has a 14% bond with a face value of Rs.100 that matures at par in 15 years. The bond is callable in five years at Rs.114. It currently sells for Rs.105. Calculate: (i) Current yield. (ii) Yield to maturity. (iii) Yield to call.

- 9 Modern portfolio theory helps in the optimal allocation of global resources. Comment.

OR

- 10 Explain Sharpe's single index model in detail.

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 Case Study:

Determine portfolio risk if $W_a = 30$, $W_b = 70$, $SD_a = 25$, $SD_b = 30$, if R_{ab} is +0.80. Also determine total return of A & B if return on security A is 28% and B is 32%.

