

(DBUS31)

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M.B.A. DEGREE EXAMINATION, MAY – 2018**Third Year****A-FINANCIAL MANAGEMENT****Security Analysis and Portfolio Management (Optional)****Time : 3 Hours****Maximum Marks :70**

SECTION - A**Answer any three questions.****(3 × 5 = 15)**

- Q1)** a) Security valuation
b) Industry analysis
c) Money lenders
d) Debt. Equity ratio
e) Open ended mutual fund
f) Portfolio manager

SECTION - B**Answer any three questions.****(3 × 15 = 45)**

- Q2)** What are the components of investment risk?
- Q3)** Discuss the procedure for valuation of securities.
- Q4)** What are the functions of S.E.B.I.?
- Q5)** Explain the concept of efficient market hypothesis?
- Q6)** Explain the process of portfolio revision.
- Q7)** Discuss the significance of performance evaluation of managed portfolio.

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SECTION - C
(Compulsory)**(10)****Q8)** Case study:

The evergreen Investment Company manages a stock fund consisting of four stocks with the following market values and betas.

Stock	Market Value (Rs.)	Beta
Bell	2,00,000	1.16
Sell	1,00,000	1.20
Grill	1,50,000	0.80
Shrill	50,000	0.50

If the risk free rate of interest is 9 percent and the market return is 15 percent, what is the portfolio's expected return?



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