

19P367S

(Pages: 2)

Name.....

Reg. No.....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2020

(CUCSS-PG)

(Supplementary/Improvement)

CC15P MC3 E(F)02 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(Commerce)

(2015 to 2018 Admissions)

Time: Three Hours

Maximum: 36 Weightage

Section A

Answer *all* questions. Each question carries 1 weightage.

1. What is unsystematic risk?
2. Explain the term domestic bonds.
3. What is Maccaulay Duration?
4. Explain the concept of risk tolerance.
5. Explain the term APT.
6. What do you mean by portfolio revision?

(6 x 1 = 6 Weightage)

Section B

Answer any *six* questions. Each question carries 3 weightage.

7. Discuss the factors influencing investment decisions.
8. A two year bond face value of Rs. 1000 issued at a discount for Rs. 797.19. What is the spot interest rate?
9. Discuss the impact of changes in interest rate and inflation rate on bonds.
10. Explain the concept of bond immunization with its effects.
11. What are the criticisms levelled against fundamental analysis?
12. Explain the multiple growth model with its equations.
13. Discuss various price movements identified as per Dow theory.
14. What do you mean by market anomalies? What are its types?

(6 x 3 = 18 Weightage)

Section C

Answer any *two* questions. Each question carries 6 weightage.

15. What do you mean by technical analysis? Write various patterns of share prices used in technical analysis.
16. What do you mean by diversification? Discuss briefly the Markowitz diversification

17. A share is currently selling for Rs. 65, the company is expected to pay dividend of Rs. 2.50 on the share at the end of the year. It is reliably estimated that the share will set for rs. 78 at the end of the year. Given, (1) Assuming that the dividends and price forecasts are accurate, would you buy the shares to hold it for one year, if the required rate of return is 12 per cent. (2) Given, the current price of Rs.65 and the expected dividend of Rs. 2.50 what would the price have to be at the end of one year to justify purchase of the share today, if the required rate of return is 15%.

(2 x 6 = 12 Weightage)
