17P362 (Pages: 2) Name……………………

Reg. No…………………..

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2018

(Regular/Supplementary/Improvement)

(CUCSS - PG)

CC15P MC3 E02 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

(2015 Admission onwards)

Time : Three Hours Maximum : 36 Weightage

Section A

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

1. What do you mean by Beta?
2. What is RSI?
3. What do you mean by behavioral finance?
4. What is YTM?
5. What is Sharpe ratio?
6. What do you mean by CML?

(6 x 1 = 6 Weightage)

Section B.

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

7. Discuss Elliot's Wave Theory.
8. Explain Efficient Market Hypothesis.
9. What do you mean by duration of bond? What is its significance?
10. What is Random Walk Theory?
11. What is meant by risk-return trade-off?
12. What do you mean by optimal portfolio? Explain its significance.
13. Compute the present value of a bond with face value Rs. 2000, coupon rate 7% and maturity period of 3 years and YTM = 10%.
14. An investor would like to a get a dividend of Rs. 4.5 from a share and wants to sell it next year for Rs. 541 after keeping it for one year. The required rate of return is 20%. Calculate the present value of this share.

(6 x 3 = 18 Weightage)

Section C

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

15. Explain the different approaches to portfolio evaluation.
16. The details of three funds X, Y and Z are given in the table below:-

Fund	**Return**	**Beta**
X	16	1.2
Y	14	0.8
Z	22	1.5
Market Index	18	1.0

Market beta = 1.0

Risk free return = 8%

Evaluate which fund performs better.

17. Stocks of Adithya Ltd. and Athulya Ltd. have the following returns for the past two years.

Years	**Return-%**	
	Adithya Ltd.	Athulya Ltd.
2015	10	12
2016	14	16

1. What is the expected return on portfolio made up of 40% of Adithya Ltd.and 60% of Athulya Ltd.?
2. Find out the standard deviation of each stock.
3. What is co-variance and co-efficient of correlation between stocks?

(2 x 6 = 12 Weightage)

****