

**MASTER OF BUSINESS ADMINISTRATION
THIRD SEMESTER [SPECIAL REPEAT]
SECURITY ANALYSIS & PORTFOLIO MANAGEMENT
MBA – 304C**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The risk involved in the purchase of infotech and satyam computers shares are measured with the help of
a. Average return of stocks of companies individually.
b. Co-variance between two companies scrip return
c. Variance of each company s stock
d. All the above
2. A combination of various investment products like bonds, shares, securities, mutual funds and so on is called as _____
a. Portfolio
b. Investment
c. Speculation
d. Gambling
3. Investing in different asset and securities of many companies in an attempt to reduce the overall investment risk is known as _____
a. Portfolio selection
b. Portfolio Revision
c. Portfolio diversification
d. None of these
4. During the _____ stage many new firms enter into market, the firms earns high profit, all firms compete with each other and only a few efficient firms are left to run the business and most of the other firms are wiped out.
a. Pioneering stage
b. Expansion stage
c. Stagnation stage
d. Declining stage
5. _____ analysis refers the study of the variables that influence the future of a firm both qualitatively and quantitatively.
a. Company analysis
b. Industry analysis
c. Technical analysis
d. Economic analysis
6. Technical analysis is useful _____
a. To make an estimate of growth in a stock market
b. To find out the market forces influencing stock market
c. To indicate the direction of the overall market
d. To analyze the economic activity of government.
7. A chart that has open, high, low and close data sets in a vertical line is known as _____
a. Bar
b. Line chart
c. Candle stick chart
d. Point and figure chart

8. _____ describes the relationship between systematic risk and expected return for assets, particularly stocks
- CAPM
 - PERT
 - Sharpe ratio
 - Treynor ratio
9. Bond P has a Rs.1,000 face value and provides an 8% interest per annum. The appropriate discount rate is 10%. What is the value of the perpetual bond?
- Rs.800
 - Rs.1000
 - Rs. 700
 - Rs.980
10. A preference share Rs. .100 par value each with a specified dividend of Rs. 8 per share. The appropriate discount rate is 10%. What is the value of the preferred stock?
- Rs.80
 - Rs.100
 - Rs. 70
 - Rs.98
11. Which of the following is not a financial investment
- Purchase of shares
 - Purchase of bonds
 - Purchase of car
 - Purchase of debentures
12. Which of the following is a tax saving investment?
- Fixed deposit
 - Shares
 - Recurring Deposit
 - PPF
13. Primary and secondary markets
- Compete with each others
 - Complement each other
 - Function independently
 - Control each other.
14. Employment of funds with the aim of achieving additional income is known as ____
- Investment
 - Speculation
 - Gambling
 - Biting
15. The object of portfolio is to reduce _____ by diversification
- Return
 - Risk
 - Uncertainty
 - Percentage
16. _____ risks cover the risk of market, interest rate risk and purchasing power risk.
- Systematic
 - Unsystematic risk
 - Financial
 - Business
17. Risk due to internal environment of a firm or those affecting particular industry are referred to as _____
- Unsystematic risk
 - Systematic risk
 - Normal risk
 - Abnormal risk
18. To regulate the securities market and to protect the investor's interest _____ has been created by the Government of India.
- SEBI
 - RRB
 - RBI
 - SBI
19. Variance calculation and measuring the Standard deviation is one way of measuring the _____
- Risk
 - Return
 - Speculation
 - Gambling

20. An investor is having their portfolio with the combination of stock and bonds in the ratio of 75:25. He is
- a. Risk averse
 - b. Risk neutral
 - c. A risk taker
 - d. Active in portfolio management

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

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| 1. What do you mean by Risk. Discuss various types of Risk in detail | 2+8=10 |
| 2. Write notes on Fundamental Analysis and Technical Analysis. Compare Fundamental Analysis with Technical Analysis. | 4+6=10 |
| 3. What are the types of risk that are involved in trading in securities? Elaborate the elements of fundamental analysis. | 4+6=10 |
| 4. Discuss the main Function of SEBI. How does SEBI protects investors? | 6+4=10 |
| 5. What is an investment decision? Discuss the factors to be considered for investment decision-making. | 1+9=10 |
| 6. What are the different types of investment avenues? Highlights some of the advantages of investment. | 7+3=10 |
| 7. What is portfolio performance evaluation? What are the criteria for selecting portfolio? | 4+6=10 |
| 8. Write a short notes on:
a) Financial market.
b) Trading in securities. | 5+5=10 |

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