REV-01
MBA/70/80

2023/12

SET B

MASTER OF BUSINESS ADMINISTRATION
THIRD SEMESTER
SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
MBA – 304C
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Objective

Time: 30 mins. **Marks: 20**

Choose the correct answer from the following: ***1×20=20***

1. IPO stands for:
   a. Internal Public Office
   b. Initial Public Office
   c. Initial Public Offer
   d. Internal Police Office

2. CAPM stands for:
   a. Capital assets products method.
   b. Capital assets pricing model.
   c. Capitalization assets of product market.
   d. None of the Above

3. ___ Risk is the possibility that borrowers repay debt ahead of schedule.
   a. Liquidity
   b. Inflation
   c. Prepayment
   d. Investment

4. "Not putting all your eggs in one basket" means.
   a. Investment
   b. Financing
   c. Diversification
   d. None of the above

5. ___ step involves determining periodically how the portfolio has performed over the review period.
   a. Portfolio performance evaluation
   b. Portfolio revision
   c. Portfolio construction
   d. Performing security analysis

6. Asset allocation affects the investor's return by_____________.
   a. Altering the returns on individual assets.
   b. Weighting the portfolio return by the allocation.
   c. assuring diversification
   d. Increasing the investor's use of mutual funds.

7. Treasury bills are traded in the __________
   a. Money market
   b. Capital market
   c. Government market
   d. Regulated market

8. As per ______theory, changes in stock prices are independent of each other.
   a. Random walk
   b. continuous
   c. Regular
   d. fixed

9. Which of the following is not the participant of derivative market?
   a. Arbitrage
   b. Speculator
   c. Hedger
   d. None of the above

10. Money market is a market
   a. For securities lesser than one year
   b. For securities more than one year
   c. For government securities only
   d. None of the above

11. Employment of funds with the aim of achieving additional income is known as_______
   a. Investment
   b. Speculation
   c. Gambling
   d. Biting

12. Buying low and selling high, making a large capital gain is associated with ________
   a. Investment
   b. Speculation
   c. Gambling
   d. Arbitrage

13. Risks cover the risk of market, interest rate risk and purchasing power risk.
   a. Systematic
   b. Unsystematic risk
   c. Financial
   d. Business

14. _________ 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

15. Markowitz efficient hypothesis initiated in________
   a. 1958
   b. 1959
   c. 1961
   d. 1960

16. ________describes the relationship between systematic risk and expected return for assets, particularly stocks.
   a. CAPM
   b. PERT
   c. Sharpe ratio
   d. Treynor ratio

17. Which type of market efficiency declares that current security prices totally reflect all information, equally public and private?
   a. Weak
   b. Semi-strong
   c. Strong
   d. None of these

18. The main objective of portfolio is to reduce _______ by diversification.
   a. Return
   b. Risk
   c. Uncertainty
   d. Percentage

19. 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

20. A portfolio having two risky securities can be turned risk less if

a. The securities are completely positively correlated
b. If the correlation ranges between zero and one
c. The securities are completely negatively correlated
d. None of the above

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(Descriptive)

Time : 2 Hr. 30 Mins. Marks : 50

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

1. What is financial market? State the importance of financial market. Illustrate a classification of financial market with the suitable categories. 3+5+2=10

2. What is speculation? State the different Types of speculators. Distinguish between Speculators and investors with a suitable basis. 2+3+5=10

3. What is derivative market? Mention the participant in derivative market. Explain the instrument trade in derivative market. 2+3+5=10

4. What is Fundamental Analysis? Explain the different types of fundamental analysis. Explain the approaches of fundamental. 3+3+5=10

5. State the different tools and indication used for technical analysis. What are the assumptions of Technical analysis? 5+5=10

6. State the various investment alternatives available with the investors. 10

7. Explain ***any two*** of the following theory: 5×2=10
   a) Down theory
   b) Random walk theory.
   c) Market efficient hypothesis.
   d) Capital asset pricing model.

8. Explain the steps involved in Valuation of investment. 10

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