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End Semester Examination, December 2024
BBA (H) with Research – IIIrd Semester
Security Analysis and Portfolio Management (MCSP116)

Time: 2.5 hrs.

Max Marks: **50**

Note: *All Questions are compulsory. Marks are indicated against each question.*

PART-A

- Q.1** **Attempt any 5 questions.** **2x5**
- (a) An investment has 50% probability of earning -20% return and 30% probability of earning 35% return. What is the expected rate of return for this investment? [CO1][L1] **2**
- (b) What does the Beta of a portfolio measure? [CO1] [L1] **2**
- (c) Discuss Sukanya Yojana. [CO1] [L1] **2**
- (d) Differentiate between Call and Put Options. [CO1] [L1] **2**
- (e) What Sharpe Ratio of Risky Asset signifies. Give its formulae. [CO1] [L1] **2**
- (f) A housing finance security can be classified as _____ [CO1] [L1] **2**
- (g) A passive investment strategy is based on the premise of that securities are ? [CO1][L1] **2**

PART-B

- Q.2** As financial planner, discuss the use/application of information you are asking him such as risk tolerance, liquidity needs, financial goals for investment strategy. [CO-2] [L2] **10**

OR

Analyze the advantages and disadvantages of investing in non-marketable securities. [CO-2] [L2] **10**

- Q.3** Discuss how the Efficient Market Hypothesis impacts the strategies of both fundamental and technical analysts. [CO-3] [L3] **10**

OR

Describe the use of 6 principles of Dow theory in analysing market trends. [CO-3] [L3] **10**

- Q.4** Discuss the application of correlation (r) in portfolio diversification as per Markowitz Portfolio theory. [CO-4] [L4] **10**

OR

Describe how the traders might use Elliott Wave Theory patterns to predict market with the help of an example. [CO- 4] [L4] **10**

- Q.5** Evaluate how lagging and leading indicators can impact a trader's strategy with provide examples. [CO-5] [L5] **10**

OR

An investor is considering two investment opportunities with following risk and return :

Project	A	B
Expected Return	15%	28%
Risk	5%	8%
Weights	70%	30%
Expected Correlation	1	

You are required to calculate

(i) Portfolio risk and return

If the correlation is -1, how should the investor decide proportions of investment in security A and B to achieve zero risk portfolio? [CO- 5] [L5] **10**