

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2023
(Third Semester)

Branch – BANKING, STOCK AND INSURANCE

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. This type of risk is avoidable through proper diversification.
(i) Portfolio risk (ii) Systematic risk
(iii) Unsystematic risk (iv) Total Risk
2. Balance Sheet shows
(i) Financial position of a company (ii) Fund flow of a company
(iii) Cash flow of a company (iv) Market strength of a company
3. Dow theory is associated with
(i) Market analysis (ii) Technical analysis
(iii) Economic analysis (iv) Fundamental analysis
4. Arbitrate pricing theory is an _____ model.
(i) asset pricing (ii) risk evaluation
(iii) bond pricing (iv) mixed pricing
5. The art of changing the mix of securities in a portfolio is called _____.
(i) aggressive portfolio (ii) portfolio construction
(iii) hybrid portfolio (iv) portfolio revision

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Explain the phases of portfolio management.
OR
b Describe how the term risk is used to depict the behaviour of certain investments.
- 7 a Explain the importance of economic analysis and the state the economic factors considered for this analysis.
OR
b What is Industry Analysis? Explain the elements of industry analysis
- 8 a Describe the technical analysis and its assumptions.
OR
b Explain in detail the Dow Theory and how is it used to determine the direction of the stock market?

Cont...

- 9 a Explain the assumptions of Markowitz's theory.
OR
b Bring out the main advantages of arbitrage pricing theory.
- 10 a State the features of portfolio evaluation.
OR
b Describe the strategies portfolio revision.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Distinguish between systematic risk and unsystematic risk.
- 12 Industry life cycle shows the status of the industry and gives clues as to entry and exit for investors. Elucidate.
- 13 Discuss the principles of Elliot's wave theory.
- 14 Highlight the basic assumptions and limitations of CAPM.
- 15 Summarise the constraints of the portfolio revision.

Z-Z-Z

END