

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Sixth Semester)

Branch – COMMERCE (COST AND MANAGEMENT ACCOUNTING)

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. The risk-return trade-off means _____
(i) Higher risk leads to higher potential returns
(ii) Lower risk leads to higher returns
(iii) Risk and return are unrelated
(iv) Investment returns are guaranteed
2. Which of the following is a feature of preference shares?
(i) Fixed dividend (ii) Voting rights
(iii) High risk (iv) No dividend payments
3. Which of the following is an example of systematic risk?
(i) Poor management decisions
(ii) Company fraud
(iii) Changes in Government policies
(iv) Bankruptcy of a single firm
4. The Capital Asset Pricing Model (CAPM) is used to: _____
(i) Calculate market capitalization
(ii) Estimate expected returns based on risk
(iii) Determine interest rates
(iv) Analyse short-term price movements
5. Portfolio evaluation is essential for _____
(i) Monitoring investment performance
(ii) Identifying deviations from expected returns
(iii) Adjusting risk exposure
(iv) All of the above

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. (a) Bring out the key features of investment?
OR
(b) How does speculation impact stock market volatility?
7. (a) Differentiate between secured and unsecured bonds.
OR
(b) State the advantages of preference shares?
8. (a) How does risk assessment impact investment decisions?
OR
(b) What is DuPont analysis? Summarize its key components.
9. (a) Describe the Security Market Line (SML) and its importance.
OR
(b) State the factors influence portfolio selection in investment management?

Cont...

10. (a) What is the need for portfolio revision?
OR
(b) Describe the importance of performance decomposition in portfolio management.

SECTION -C (30 Marks)

Answer any Three questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

11. Enumerate the differences between investment and speculation.
12. Discuss the importance of corporate bonds in the financial market.
13. Differentiate between systematic and unsystematic risk with suitable illustrations.
14. Elucidate the portfolio analysis and its role in investment decision-making.
15. Examine the how benchmarking helps in evaluating portfolio performance.

Z-Z-Z

END