

MCom DEGREE EXAMINATION MAY 2025
(Fourth Semester)

Common to Branches – **COMMERCE / COMMERCE WITH COMPUTER APPLICATIONS**

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	What is the primary goal of portfolio management? a) To maximize returns b) To minimize risk c) To optimize the risk-return tradeoff d) To diversify a portfolio	K1	CO1
	2	Which of the following portfolio management strategies involves actively buying and selling securities to maximize returns? a) Passive management b) Active management c) Indexing d) Asset allocation	K2	CO1
2	3	Which of the following is NOT a type of financial ratio used in security analysis? a) Liquidity ratio b) Profitability ratio c) Valuation ratio d) Efficiency ratio	K1	CO1
	4	What is the primary objective of fundamental analysis in security analysis? a) To predict short-term price movements b) To estimate a company's intrinsic value c) To analyze a company's financial statements d) To evaluate a company's management team	K2	CO1
3	5	Which of the following risk management strategies involves reducing the risk of a portfolio by investing in assets that are negatively correlated? a) Diversification b) Hedging c) Asset allocation d) Risk avoidance	K1	CO1
	6	What is the concept of beta in risk management? a) A measure of a stock's volatility b) A measure of a stock's systematic risk c) A measure of a stock's unsystematic risk d) A measure of a portfolio's risk	K2	CO1
4	7	What is the Sharpe ratio? a) A measure of a portfolio's return relative to its risk b) A measure of a portfolio's risk relative to its return c) A measure of a portfolio's diversification d) A measure of a portfolio's liquidity	K1	CO1
	8	Which of the following metrics is used to evaluate the performance of a portfolio? a) Return on investment (ROI) b) Sharpe ratio c) Treynor ratio d) All of the above	K2	CO1

Cont...

5	9	What is the primary benefit of diversification in investment management? a) Increased returns b) Reduced risk c) Increased liquidity d) Reduced costs	K1	CO1
	10	Which of the following types of investment is considered a hedge against inflation? a) Stocks b) Bonds c) Real estate d) Commodities	K2	CO1

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Discover the role of portfolio management.	K4	CO1
		(OR)		
	11.b.	Explain the characteristics of Investment.		
2	12.a.	Distinguish between Systematic Risk and Unsystematic Risk.	K5	CO2
		(OR)		
	12.b.	Illustrate the Life Cycle of Industry.		
3	13.a.	Sketch the advantages of Technical Analysis.	K3	CO3
		(OR)		
	13.b.	Criticize the Dow and Elliot Wave Theory.		
4	14.a.	Distinguish between Single and Multi-Index Model.	K5	CO4
		(OR)		
	14.b.	Determine the feasible set of portfolios.		
5	15.a.	Explain the need for portfolio revision.	K6	CO5
		(OR)		
	15.b.	Interpret the constraints in portfolio revision.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Identify and examine the constituents of Financial Market.	K4	CO1
2	17	Enumerate the steps involved in analysis of financial statement.	K5	CO2
3	18	Explain in detail the functions of efficient market theory.	K3	CO3
4	19	Describe the strategies in pricing of securities with CAPM.	K5	CO4
5	20	Classify the steps involved in measuring portfolio return.	K3	CO5

Z-Z-Z

END