23AFU628N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch – **COMMERCE (ACCOUNTING & FINANCE)**

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	Portfolio means: (i) Single security (ii) Collection of investments (iii) Bank loan (iv) Insurance	K1	CO1
	2	Systematic risk affects (i) Single company (ii) Entire market (iii) One investor (iv) One sector	K2	CO1
2	3	Fundamental analysis mainly studies (i) Price charts (ii) Economic factors (iii) Market rumors (iv) Trading signals	K1	CO2
	4	Industry life cycle analysis helps investors to: (i) Predict inflation (ii) Identify growth opportunities (iii) Fix interest rate (iv) Reduce tax	K2	CO2
3	5	Diversification refers to: (i) Single investment (ii) Investing in different securities (iii) Selling shares (iv) Holding cash	K1	CO3
	6	Diversification mainly reduces (i) Systematic risk (ii) Unsystematic risk (iii) Inflation risk (iv) Interest risk	K2	CO3
4	7	Markowitz model is related to (i) Risk-return optimization (ii) Sales forecasting (iii) Cost control (iv) Tax planning	K1	CO4
	8	Efficient frontier represents (i) Minimum risk only (ii) Maximum return only (iii)Optimal risk-return combinations (iv) Market demand	K2	CO4
5	9	Portfolio revision means (i) Holding same securities (ii) Changing securities in portfolio (iii) Avoiding investment (iv) Borrowing funds	K1	CO5
	10	Differential return compares (i) Portfolio return with market return (ii) Income with expenditure (iii) Demand with supply (iv) Cost with profit	K2	CO5

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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.	Define portfolio management and explain its phases.	K1	CO1
		(OR)		
	11.b.	Define systematic risk and unsystematic risk.		
2	12.a.	What are the stages of the industry life cycle with suitable examples.	K2	CO2
		(OR)		
	12.b.	Explain the importance of financial statement analysis in company analysis.		
3	13.a.	Illustrate how diversification reduces portfolio risk.	K3	CO3
		(OR)		
	13.b.	Apply Dow Theory to identify market trends in technical analysis.		
4	14.a.	Analyze the Markowitz Model in constructing an optimal portfolio.	K4	CO4
		(OR)		
	14.b.	Analyze the role of CAPM in determining expected return of securities.		
5	15.a.	Evaluate the need and strategies of portfolio revision in changing market conditions.	K5	CO5
		(OR)		
	15.b.	Evaluate portfolio performance using differential return method.		

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	Explain the elements of risk in portfolio investment	K2	CO1
2	17	Discuss the steps involved in economic analysis	K3	CO2
3	18	Analyze the importance of technical analysis in portfolio decisions with reference to trends, trend reversals and market indicators.	K4	CO3
4	19	Explain the determination of objectives in portfolio construction with examples.	K4	CO4
5	20	Evaluate the need for portfolio revision and explain the various portfolio revision strategies adopted by investors.	K5	CO5

Z-Z-Z END