

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION MAY 2022
(Fourth Semester)

Branch – COMMERCE

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 x 1 = 10)

1. The first phase of portfolio management is
 - a) Portfolio revision
 - b) Security analysis
 - c) Portfolio analysis
 - d) Portfolio selection
2. The return from the investment will be in the form of
 - a) yield plus capital appreciation
 - b) yield only
 - c) capital appreciation only
 - d) none of the above
3. The investor has to purchase the shares when the market price of a share is ----- its intrinsic value
 - a) below
 - b) above
 - c) equal
 - d) greater than or equal to
4. Economy analysis does not take into consideration
 - a) growth rate of national income
 - b) inflation
 - c) interest rates
 - d) financial statements
5. The variation in return due to volatility of stock market is called
 - a) interest rate risk
 - b) purchasing power risk
 - c) market risk
 - d) financial risk
6. According to Dow theory the market has ----- movements
 - a) one
 - b) two
 - c) three
 - d) four
7. The price level at which sufficient buying pressure is exerted to halt the fall in price is
 - a) support level
 - b) resistance level
 - c) continuation level
 - d) rising level
8. When the correlation coefficient between two securities is 1 then the security returns are
 - a) perfectly positively correlated
 - b) perfectly negatively correlated
 - c) not correlated
 - d) none of the above

Cont...

9. Sharpe ratio is otherwise called as
- Reward to variability ratio
 - Reward to volatility ratio
 - Risk to variability ratio
 - Risk to volatility ratio
10. The efficient frontier becomes a straight line throughout because of the
- introduction of risk-free assets
 - introduction of lending
 - introduction of lending and borrowing
 - introduction of borrowing

SECTION - B (35 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 7 = 35)

- 11 a What are the various Phases of Portfolio Management?
OR
b What are the factors affecting share price of a company?
- 12 a What are the stages of industry life cycle?
OR
b List out the ratios that can be used to analyse a company.
- 13 a What are the mathematical indicators that helps to analyse the movement of share price?
OR
b Write note on Elliot wave theory
- 14 a State how security return and risk are estimated under single index model.
OR
b Compare Capital Market Line and Security Market Line.
- 15 a What are the constraints in portfolio revision?
OR
b State the need for portfolio evaluation

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Explain the characteristics of Investment.
- 17 Differentiate fundamental and technical analysis.
- 18 Compare feasible set of portfolio and efficient set of portfolio.
- 19 What are price charts what are the various types of price charts?
- 20 Explain the portfolio revision strategies.

Z-Z-Z

END