

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2024
(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. Which one of the following is not an element of the formal definition for VaR?
(i) Worst Case Loss (ii) Tolerance Level
(iii) Normality of returns (iv) Liquidation period
2. _____ refers the study of the variables that influence the future of a firm both qualitatively and quantitatively.
(i) Company Analysis (ii) Industry Analysis
(iii) Technical Analysis (iv) Economic Analysis
3. An efficient market does not require that:
(i) Stock prices incorporate all information
(ii) All known information be reflected in prices
(iii) Price adjustments occur very quickly
(iv) Each adjustment be perfect
4. The complex statistical and mathematical theory is an approach, which is classified as
(i) Arbitrage pricing theory (ii) Arbitrage risk theory
(iii) Arbitrage dividend theory (iv) Arbitrage market theory
5. Portfolio _____ is the last step in the process of portfolio management.
(i) Revision (ii) Valuation
(iii) Arbitrage (iv) Evaluation

SECTION - B (15 Marks)

Answer ALL Questions

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

6. a What is the difference between business risk and financial risk?
OR
b Briefly explain the evolution of portfolio management.
7. a List out the various types of risks being covered in economic analysis.
OR
b State the factors influencing the earnings per share (EPS) of a company.
8. a Describe the strong form of EMH with empirical evidence.
OR
b What do you infer from the moving average theory of technical analysis?
9. a Mention the statistical method used by Markowitz to reduce the risks.
OR
b What are the advantages of adopting CAPM model in the portfolio management?
10. a Enumerate is the importance of Portfolio Revision.
OR
b Distinguish 'active' and 'passive' strategies of portfolio revision.

Cont...

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks (3 x 10 = 30)

11. Discuss and investigate VaR and its characteristics in portfolio management.
12. Industry life cycle exhibits the status of industry and gives the clue to entry and exit for investors, elucidate.
13. Explain in detail about Dow Theory and how it is applicable to determine the direction of stock market.
14. "Diversification reduces the unsystematic risk or unique risk but cannot reduce systematic or un-diversifiable risk", focusing over the statement discuss the Markowitz Model.
15. 'In the Indian Context, buy-and-hold is a better strategy compare to any of the portfolio revision strategies'. Comment.

Z-Z-Z

END