

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022
(Sixth Semester)

Branch – COMMERCE (FINANCIAL SYSTEM)

DISCIPLINE SPECIFIC ELECTIVE-II 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 Investment is the _____
 - (i) Net additions made to the nations capital stocks
 - (ii) Persons commitment to buy a flat or house p
 - (iii) Employment of funds on assets to earn returns
 - (iv) Employment of funds
- 2 Which of the following investment areas is heavily tied to work using mathematical and statistical models?
 - (i) Security analysis.
 - (ii) Portfolio management.
 - (iii) Institutional investing.
 - (iv) Retirement planning
- 3 Liquidity risk _____.
 - (i) Is the risk that investment bankers normally face.
 - (ii) Is lower for small OTCEI stocks than for large NSE stocks.
 - (iii) Is the risk associated with secondary market transactions
 - (iv) Increases whenever interest rates increase.
- 4 Most investors are risk-averse which means _____
 - (i) They will assume more risk only if they are compensated by higher expected return
 - (ii) They will always invest in the investment with the lowest possible risk
 - (iii) They will always invest in the investment with the highest possible risk
 - (iv) They avoid the stock market due to the high degree of risk
- 5 Investment in gold and sliver is considered ----- investment.
 - (i) Real
 - (ii) Fixed
 - (iii) Financial
 - (iv) Intangible
- 6 _____ are financial assets
 - (i) Bonds
 - (ii) Machines
 - (iii) Stocks
 - (iv) Bonds and stocks
- 7 The return component that gives periodic cash flows to the investor is known as the _____.
 - (i) Capital gain.
 - (ii) Interest rate.
 - (iii) Yield
 - (iv) unrealized gain.
- 8 Minor trends last for
 - (i) For week
 - (ii) For months
 - (iii) For years
 - (iv) 2 years
- 9 Which of the following has helped to eliminate the use of stock certificates by placing stock transactions on computers?
 - (i) Demat account.
 - (ii) Securities Exchange Commission.
 - (iii) Depository Trust Company.
 - (iv) Federal Depository Insurance Corporation.

Cont...

- 10 CAPM indicates -----
(i) Capital asset pricing model (ii) Cost appreciation pricing model
(iii) Current asset pricing model (iv) Capital amendment pricing model

SECTION - B (35 Marks)

Answer ALL Questions

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

- 11 a Explain briefly the phases of Portfolio Management in detail.
OR
b Write a note on Measurement of Risk.
- 12 a Explain the term Industry Analysis and write about the Industry Life Cycle.
OR
b Explain the term
a. Fundamental Analysis. b. Economic Analysis
- 13 a Write about the Reduction of Portfolio Risk through Diversification.
OR
b Elaborate the Random Walk Theory.
- 14 a Explain the Approaches of Portfolio Construction.
OR
b Write a note on Selection of Portfolio and why it is needed.
- 15 a Write about the Formula Plans.
OR
b Write about the Need and Perspective of Portfolio Evaluation.

SECTION - C (30 Marks)

Answer any THREE Questions

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

- 16 Explain in detail about Elements of Risk.
17 Write about the Economic analysis in detail.
18 Explain about Technical Analysis and Chart Patterns in detail.
19 Write in detail about Markowitz Model.
20 Write in detail about the needs and Constraints of Portfolio Revision.

Z-Z-Z

END