DEPARTMENT OF MANAGEMENT STUDIES

19MBC13 - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
QUESTION BANK
UNIT -I

PART A

1. What is Investment?

2. Give the investment objectives.

3. Explain anticipated return.

4. Meaning of yield maturity.

5. What is current yield?

6. State the meaning of securities.

7. Define sweat equity.

8. Explain investment information.

9. State about negotiable instruments.

10. Explain the various types of tax sheltered savings schemes.

PART B

11. i. What is investment? Is investment different from speculation? Explain

    ii. State the characteristics of investment.

12. i. Discuss the qualities for successful investing.

    ii. Explain the process of investment undertaken by the investor.

13. i. Explain the risk and return concept in detail.

    ii. What are the various forms of investment alternatives? Give a detailed account of any five.

14. i. Differentiate between capital and money market securities.

    ii. Why do investors invest in gold and silver?

15. i. Examine the tax sheltered scheme available in the market.

    ii. What are the advantages of placing money in the bank deposits? Discuss some of the new innovative deposits of the bank.

UNIT -II

PART A

1. Explain the concept of new issue market.

2. List out the functions of new issue market

3. State the meaning of prospectus

4. What do you mean by bought out deals?

5. Explain private placement? Give its advantages.

6. What is allotment of shares?

7. Explain the recent trends in new issue market.

8. State the functions of stock exchange?

9. Explain the regulatory framework.

10. What are the qualifications to be possessed by an individual to become a member in stock exchange?

PART B

11.i. Explain the components or structure of financial markets Indian financial system.

ii. Explain the major participants in the Indian securities market.

12.i Briefly explain the types of financial market.

ii. Critically examine the role of primary market in India

13.iWrite a note on the functioning of the stock exchange of India.

ii.Explain the role of OTCEI in Indian capital market

14.i.Explain the regulation of stock exchanges.

ii. Write a brief note on trading system in stock exchange.

15.i. Sketch out the functions and importance of NSE

ii. Elaborate the methods of floating new issues.

UNIT –III

PART A

1. Give the concept of fundamental analysis.
2. Define economic analysis
3. Meaning of company analysis
4. What is GDP?
5. Inflation- explains.
6. What are criteria followed for the selection of economic indicators?
7. How the industries can be classified on the basis of the business cycle?
8. State the formula for EPS?
9. What are the factors are affected the EPS?
10. Meaning of Ratio.

PART B

11.i.. Explain the key macroeconomic factors in economic analysis.

  ii.. Explain the factors affecting economic forecasting.

12.i.What do you mean by industry? Explain its characteristics in detail.

  ii. Explain in various techniques applied in company analysis.

13.i. Explain the techniques involved in forecasting.

  ii. What use is the industry life cycle approach to an industry analyst?

14.i. Explain the classification of Industry in detail.

  ii.Discuss the factors involved in forecasting earnings.

15.i. Write a short notes on:

      a) Regression analysis

      b) Correlation analysis

      c) Trend analysis

  ii. What is relationship between industry analysis and company analysis?

UNIT –IV

PART- A

1 Define technical analysis?

2 Meaning of Dow Theory

3 What is primary trend?

4 Explain bull market

5 What is bear market?

6 State the term secondary market.

7 State the meaning of Oscillator.

8 Write note on triangles.

9 Differentiate between technical and fundamental analysis.

10 History of the Random-Walk Theory

PART B

11.i. Explain in detail how does fundamental analysis differ from technical analysis?

ii. How does Dow Theory used to determine the direction of stock market? Explain.

12.i. Describe formation of bullish trend and bearish trend in the market.

ii. Explain the trend and trend reversals in individual stock indicators.

13.i. Describe the chart patterns that help to identity trend reversal.

ii. How are moving averages useful in studying trends and trend reversal?

14.i. What are oscillators? Explain the calculation and interpretation of any one oscillator.

ii. Explain the various charting methods used to analyze the trend.

15.i. Describe the types of oscillators used in market trend analysis.

ii. Write short notes on

a) Simple moving average

b) Exponential moving average

c) Linear weighted average

UNIT –V

PART A

1. What is portfolio?
2. List out the points to be considered for Analysis of Constraints.
3. State the criteria for selecting the portfolio.
4. How to manage the portfolio?
5. What are the assumptions of The Markowitz Model?
6. What is arbitrage?
7. Who will evaluate the Portfolio?
8. What is Treynor's Performance Index?
9. Meaning of Jensen's Performance Index.
10. What is portfolio revision?

PART B

11.i. What are the strength and weakness of the Markowitz approach?

   ii. Explain in detail of the steps involved in traditional approach

12.i. Define Markowitz diversification. Explain the statistical methods used by Markowitz to obtain the risk reducing benefit?

   ii. Define efficient frontier. Distinguish between efficient portfolio and feasible portfolio.

13.i. Explain the Sharpe Index model? How does it differ from Markowitz Model?

   ii. Explain in detail how to arrive at the optimum portfolio?

14.i. How does the allocation of funds among the securities differ with short sales?

   ii. What are the basic assumptions of CAPM? What are the advantages of adopting CAPM model in the portfolio management?

15.i. Pearl and diamond are the two mutual funds. Pearl has a mean success of 0.15 and diamond has 0.22. The diamond has double the beta of pearl funds. The standard deviations of pearl and diamond funds are 15% and 21.43%. The mean return of market index is 12% and its standard deviation is 7. The risk free rate is 8%. Compute Jensen index for each fund and compute the treynor and sharp indices for the funds. Interpret the results

ii. The following three portfolios provide the particular given below

Portfolio	Avg .annual return	Standard Deviation	Correlation co-efficient
A	18	27	0.8
B	14	18	0.6
C	15	8	0.9
Market	13	12	-

Risk free rate of interest is 9

A.Rank these portfolios using Sharpe's and treynor's method

B.Compare both indices.