

PART - A Answer ONE Question from each UNIT (5 x 12 = 60 Marks)

All Questions Carry Equal Marks

PART - B Compulsory (1 x 10 = 10 Marks)

PART -A

UNIT-I		Marks	CO	BL
1.a)	"The investment process involves a series of activities starting from the policy formulation. "Discuss.	6M	CO1	BL6
b)	"Effective regulation is an essential condition for orderly growth of securities market". Explain b. this statement and discuss the broad classification of regulatory frame-work relating to financial services.	6M	CO1	BL2
OR				
2.a)	What are the objectives of listing of securities? Discuss the requirements for listing of securities in stock exchange.	6M	CO1	BL2
b)	Why is regulation necessary over the securities market? Describe the three main types of regulatory framework relating to financial services.	6M	CO1	BL1

UNIT-II		Marks	CO	BL
3.a)	Explain the concept of 'Market Risk and discuss about the constituent components of Market Risk	6M	CO2	BL2
b)	Explain the importance of risk and return in security analysis. How would you estimate risk and return for a common stock?	6M	CO2	BL2
OR				
4.a)	What is Interest Rate Risk? How is interest rate risk exposure measured?	6M	CO2	BL1
b)	A company is currently paying a dividend of Z 4.24 per share. The dividend is expected to grow at 18 per cent annual rate for 5 years, then at 12 per cent rate forever. What is the PV of the share, if the capitalization rate is 14 per cent? The PV Factor at 14% for year 1 to 5 are 877, 769, 675, 592, 519 respectively.	6M	CO2	BL4

UNIT-III		Marks	CO	BL
5.a)	Make a comparison between Fundamental Analysis and Technical Analysis. Which one is more helpful to the investors, when they want to invest in capital market?	6M	CO3	BL2
b)	Discuss the tools of Technical Analysis?	6M	CO3	BL6
OR				
6.a)	Define market efficiency and describe the differences in various forms of market efficiency.	6M	CO3	BL1
b)	What is company level analysis? Discuss the various quantitative analysis methods used for equity investments.	6M	CO3	BL1

UNIT-IV		Marks	CO	BL
7.a)	Define Markowitz diversification model. Explain the statistical methods used by Markowitz to obtain the risk reducing benefit.	6M	CO4	BL2
b)	Explain the CAPM model of portfolio management	6M	CO4	BL2
OR				
8.a)	What is efficient portfolio? Discuss the various steps involved in selecting an optimal portfolio	6M	CO4	BL2
b)	What are the basic assumptions of Arbitrage Pricing Theory (APT)? Discuss the problems associated with the empirical testing of APT.	6M	CO4	BL6

UNIT-V		Marks	CO	BL
9.a)	What do you mean by Portfolio Revision? When is portfolio revision needed? Critically appraise the various portfolio revision plans.	6M	CO5	BL4
b)	Evaluate the Jensen's model for Portfolio Evaluation.	6M	CO5	BL5
OR				
10.a)	Discuss different types of mutual funds. With suitable examples	6M	CO6	BL2
b)	Mutual funds provide stability to share prices, safety to investors and resources to the prospective entrepreneurs. Critically evaluate this statement	6M	CO6	BL5

PART – B

CASE STUDY					Marks	CO	BL
11	Three Mutual Funds have reported the following rates of return and risk over the last five years				10M	CO2	BL4
	Growth Fund	Return	Sd.Deviation (Risk)	Beta			
	Shriram	15 %	16 %	1.15			
	Birla	13 %	18 %	1.25			
	ICICI	12 %	11 %	0.9			
Rank each fund by Sharpe's performance evaluation criteria, given the Risk free Return (Rf) as 7 %							
