

3M6327

Roll No. \_\_\_\_\_

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**M. B. A. III Sem. (Main/Back) Exam., Jan. 2016**  
**M-303 Security Analysis and Portfolio Management**  
**(Minor)**

**Time: 3 Hours**

**Maximum Marks: 70**

**Min. Passing Marks: 28**

*Instructions to Candidates:*

- (i) *The question paper is divided in two sections.*
- (ii) *There are sections A & B. Section A contains 6 questions out of which the candidate is required to attempt any 4 questions. Section B contains short case study / application based question which is **compulsory**.*
- (iii) *All questions carry **equal** marks.*

1. NIL

2. NIL

**SECTION-A**

- Q.1 What is Investment? Is Investment different from speculation? Explain. [14]
- Q.2 Explain the Sharpe Index Model? How does it differ from the Markowitz model? [14]
- Q.3 What is listing? Why do companies get their shares listed on the stock exchange? [14]
- Q.4 The returns on securities A and B are given below:

Probability	Security A	Security B
0.5	4	0
0.4	2	3
0.1	0	3

Give the security of your preference the security has to be selected on the basis of return and risk. [14]

- Q.5 (a) Differentiate between Money & Capital Market. [7]  
 (b) Systematic and Unsystematic Risk. [7]
- Q.6 Discuss the various measures that have been adopted in India to protect investor's interest in securities market. [14]

### SECTION-B

- Q.7 Mr. Shekhar is shortly going to retire from his job. He wants to invest his gratuity and provident fund money in the stock market. He is not a member of any sickness benefit scheme. He is averse to the company's specific risk. In the market, it is assumed that the short term treasury bill yield 6% interest rate. At the same time at grade CRISIL rated bonds have 12.5% return with the maturity period of 3 years. The beta and  $R^2$  values for some common stock are given below for the period 1 July 2010 to 30 June 2011.

Company	Beta	$R^2$
BHEL	1.30	0.51
L&T	1.40	0.63
TELCO	1.47	0.47
SBI	1.41	0.57

- He wants to choose a portfolio of two stocks and risk free assets. Frame the investment objectives and build a portfolio for him. [14]