8-12-16

DOON UNIVERSITY, DEHRADUN

Final Semester Examination, 2016

School of Management

MBA, Third Semester

Course: MMS-523: Security Analysis and Portfolio management

Time: 3 Hours **Total Marks: 50**

Note: Attempt all questions.

SECTION: A (Short Answer Type Questions/ to be answered in about max 200 words)

Attempt all parts. All parts carry equal marks. **(2*5=10)**

1. Explain the meaning of investment? What are the qualities and constraints of successful investment?
2. Suppose an investment provides the following periodic return over last four years as below:

Year	1	2	3	4
Return (%)	10	12	-6	12

   What is the holding period return?
3. Enumerate the concept of portfolio risk and portfolio return.
4. What is dematerialization process?
5. What are the functions of stock exchange?

SECTION: B (Medium Answer Type Questions to be answered in about 350 words)

Attempt all parts. All parts carry equal marks. **(5*4=20)**

1. What is systematic risk? What are the different types of risk that constitute systematic risk?
2. Elaborate the Markowitz's Mean- Variance model.
3. If a portfolio expected return is 15%, variance of return (risk squared) is 250%, and the investors risk tolerance is 50. Calculate risk penalty and utility.
4. Write short note one each of the following:
   a. Dow theory
   b. Industry Analysis

SECTION: C (Long Answer Type Questions to be answered in about 500 words)

Attempt any two. All parts carry equal marks. **(10*2=20)**

1. Discuss different methods or techniques of valuing equity shares.
2. Write in detail about CAPM Model. Calculate cost of equity capital using CAPM approach, following information is available:
   Risk free rate of return: 20%
   Beta: 2.5
   Return on market portfolio: 25.5%
3. Explain in detail about primary and secondary market.