**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session

**B.Com–V SEMESTER**

**SEMESTER EXAMINATION: APRIL 2024**

**(Examination conducted in May/June 2024)**

**BCIFADEA 6523: SECURITIES ANALYSIS AND PORTFOLIO MANAGEMENT**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains THREE printed pages and FOUR parts**

**Section A**

**Answer any FIVE of the following**  **(5 X 3 = 15 marks)**

1. What is Market Index? State any two examples
2. What are Bollinger bands?
3. What is Capital market line?
4. Give the meaning of Arbitrage with an example.
5. Differentiate systematic risk & unsystematic risk.
6. What are oscillators in technical analysis?

**Section B**

**Answer any TWO of the following** **(2 x 5 = 10 marks)**

1. Explain the concept of efficient frontier.
2. A security pays a dividend of Rs.3.85 and sells currently at Rs.83. The security is expected to sell at Rs.90 at the end of the year. The security has a beta of 1.15. The risk free rate is 5% and the expected return on market index is 12%. Assess whether the security is correctly priced using CAPM formula.
3. Draw any two bullish and Bearish Candlestick patterns.

**Section C**

**Answer any TWO of the following (2 X 10 =20 marks)**

1. The probabilities and associated returns of Alpha Ltd is given below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Return (%)** | 12 | 15 | 5 | 20 | 10 | 30 | 15 | 12 |
| **Probability** | 0.10 | 0.20 | 0.05 | 0.15 | 0.10 | 0.15 | 0.15 | 0.10 |

Calculate expected returns and standard deviation.

1. Discuss the different investment avenues available for an Indian Investor.
2. Write a brief note on :
3. Random walk theory (5 marks)
4. Discuss the concept of diversification and its role in risk management within a portfolio. (5 marks)

**Section D**

**Answer the following (1 X 15 =15 marks)**

1. Consider the following information for three mutual funds A,B and C ,and the market.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Mean return (%)** | **Standard Deviation (%)** | **Beta** |
| A | 12 | 18 | 1.1 |
| B | 10 | 15 | 0.9 |
| C | 13 | 20 | 1.2 |
| Market Index | 11 | 17 | 1.0 |

The mean risk-free rate was 6 %. Calculate the Treynor measure, Sharpe Measure, and Jensen measure for the three mutual funds and the market Index.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*