2017

(May)

COMMERCE

(Speciality)

Course : 404

(Security Analysis and Portfolio Management)

Full Marks : 80

Pass Marks : 24 (New Course)/32 (Old Course)

Time : 3 hours

The figures in the margin indicate full marks for the questions

Follow the Instructions :

1. Attempt Q. Nos. **1** & **2** for both **New** and **Old Courses.**

2. Attempt **Group—A** for the **New Course** and **Group—B** for the **Old Course.**

1. What do you mean by the following (Answer in *one* sentence)? 1×8=8

   (a) Convertible security

   (b) Portfolio

(c) Full form of CAPM

(d) Risk adjustment

(e) Unsystematic risk

(f) Diversification

(g) Beta

(h) Market timing

2. Write short notes on the following : 4×4=16

(a) Systematic risk

(b) Efficiency frontier

(c) Security market line

(d) Portfolio performance measures

GROUP—A (**New Course**)

3. (a) Discuss the process of valuation of fixed and variable securities. 14

Or

(b) Write a detailed note on technical analysis. 14

4. (a) Discuss the effects of combining securities with examples. 14

Or

(b) Discuss the basic assumptions of Markowitz model. In what way this model is better than other models? Discuss. 4+10=14

5. (a) Discuss the major factors associated with CAPM with examples. 14

Or

(b) Write a detailed note on two-factor model. 14

6. Write detailed notes on any *two* of the following : 7×2=14

(a) Relation between risk and return

(b) Advantages of Sharpe model

(c) Limitations of Jensen model

GROUP—B (**Old Course**)

3. (a) What do you mean by risk? What are the different components of unsystematic risk? Discuss. 4+7=11

Or

(b) What are the factors that you would consider before making any investment decisions? Discuss. 11

4. (a) Write a detailed note on Markowitz model. 11

Or

(b) Write a detailed note on location of the efficiency frontier. 11

5. *(a)* In what way 'capital market line' and 'security market line' are valuable indicators for a better portfolio formulation? Explain. 11

Or

(b) Discuss the disadvantages of CAPM. Do you think any other existing model can replace CAPM? Justify. 11

6. *(a)* Write a comparative note on Sharpe and Treynor performance measures. 11

Or

(b) Discuss the various factors influencing the portfolio investment performance. 11

7. Write short notes on (any *two*) : 6×2=12

(a) Option

(b) Futures

(c) Market Projections

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