



JK Lakshmipat University, Jaipur

Institute of Management

END TERM EXAMINATION, 2013

MBA : Semester III

Course: Security Analysis and Portfolio Management

MM: 50 Marks

Time: 3 Hours

Subject Code: MBA FM02

Note: Attempt any three questions from Section A. Section B is compulsory. All questions carry equal marks.

Section A

- Q1. Explain the requirement of investment for an ordinary investor. Based on the risk categorization, identify the investment opportunities that exist in India currently with suitable examples.
- Q2. Differentiate between a Bond and a Debenture. What is a yield curve? Determine the price of a Rs.100 zero coupon bond with YTM of 14% and 8 years to maturity.
- Q3. Assuming that you are a fundamental analyst, analyze JK Tyre Ltd. using the EIC framework. Had you been a technical analyst, what difference in approach would have been there?
- Q4. Write short notes on any two of the following:
- (a) Primary Market
 - (b) Objective and Process of Investment
 - (c) Arbitrage Pricing Theory
 - (d) P/E Ratio
- Q5. Given the following data, calculate the Sharpe Index, Treynor Index and Jensen Index of performance and explain their implication. Risk free rate is 6 %.

Fund	Mean Return	Beta	S.D.	Mean Market Return
Birla	11%	1.2	10 %	12%
HDFC	15%	1.5	18 %	

Section B

- Q6. Answer any two of the following:
- (a) What is an efficient portfolio? State the relevance of the efficient frontier.
 - (b) Differentiate between SML and CML.
 - (c) Enumerate and detail the phases of portfolio management.
 - (d) What are the important factors influencing portfolio revision. Discuss various techniques of portfolio revision.
- Q7. Calculate the return, variance and standard deviation for a portfolio having the following characteristics: Correlation Coefficients: J & K = 0.8, J & L = 0.2, and K & L = 0.5

Securities	Return (percent)	Standard deviation	Proportion of Investment
X	23	11	0.25
Y	12	6	0.20
Z	33	16	0.55