Department of Management
School of Management and Business Studies
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MBA –III Semester Exam Nov-Dec'2018
Security Analysis and Portfolio Management (MBA-GE-FM-02)

Time:3hrs Maximum Marks:75

* Attempt any Five (5) Questions. All questions carry equal (15) marks. Scientific Calculator allowed

Q1. Determine the (i) price, (ii) duration, (iii) modified duration and (iv) convexity, of a coupon paying bond with the following features:

Face Value = Rs 1000, Coupon rate = 7% p.a., Frequency of coupon payment = semiannual, Maturity = 3 years, Required YTM = 8% p.a. [15]

Q2. For the bond given in Question 1 above, calculate the change on price of the bond due to 25 basis point change in required YTM using (i) full valuation approach, (ii) Duration approach & (iii) convexity approach. [15]

Q3. What is Technical Analysis as used in the context of stock markets? How is it different from Fundamental Analysis ? Explain the basic principles of Modern Technical Analysis? [15]

Q4. Explain the basic tenets of Dow Theory. [15]

Q5. Briefly explain the process of Portfolio Management ? What is the role of asset correlation in calculation of portfolio risk? [7+8=15]

Q6. What is single index model? How is it useful in portfolio management process? [12+3=15]

Q7. What is CAPM, how is it used in equity valuation? How can you estimate equity risk premiums for emerging markets? [5+10=15]

Q8. How can you estimate post tax cost of debt of a company. Explain [15]

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