Roll No.

Department of Management
School of Management and Business Studies
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ODD Semester Examination - December 2025
MBA - Semester III

Subject Name: Security Analysis and Portfolio Management **Max. Marks: 60**

Subject Code: MBA-GE-FM-02 **Time: 2.5 Hours**

***Attempt as per instructions.**

(5 x 12 = 60)

NOTE: Attempt any FIVE Questions. All questions carry equal marks

Q1: How do the following investments compare in terms of return, risk, marketability, tax shelter, and convenience: equity schemes, non-convertible debentures, debt schemes, silver, and life insurance policies?

Q2: How the return of an investment can be measured? What are the different elements of risk

Q3: (a) "A technical analysis places too much emphasis on the past and present levels of prices and demand and supply." Critically examine.
(b) Explain the Dow Theory and Elliot Wave theory with the help of diagrams. How the former can be used to determine the direction of stock market.

Q4: Stock X and Y display the following returns over the past three years.

Year	Return (in %)	
	X	Y
2021	14	12
2022	16	18
2023	20	15

a) Determine the expected rate of return on portfolio made up of 40% of X and 60% of Y.
b) What is the standard deviation of each security?
c) Determine the portfolio risk of a portfolio made up of 40 % of X and 60% of Y.

Q5: A firm has paid dividend at Rs. 2 per share last year. The estimated growth of the dividends from the company is estimated to be 5% p.a. Determine the estimated market price of the equity share if the estimated growth rate of dividends (i) rises to 8%, and (ii) falls to 3%, assuming that the required rate of return of the equity investors is 15.5%.

Q6: (a) What is Yield to Maturity (YTM), how is it calculated, and why is it important?

(b) Lexon Ltd. issues a 14% 10 year bond with face value and maturity of Rs. 1000. What is the value of bond if the required rate of return is (i) 12%, (ii) 14%, or (iii) 16%?

Q7: Describe the risk–return relationship proposed in the HM Model and explain how, according to this model, an efficient portfolio is constructed.

Q8: Explain the Efficient Market Hypothesis and three forms of market efficiency. What is the idea behind the Efficient Market Hypothesis?