

Register No : _____

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

MBA DEGREE END SEMESTER THEORY EXAMINATIONS, NOV/DEC 2025

Third Semester

Master of Business Administration

BA4001 / PMBE2403 - Security Analysis and Portfolio Management

Regulations – 2021 & 2024

Duration : 3 Hrs

Maximum : 100 Marks

PART - A (ANSWER ALL QUESTIONS) (Marks 10*2=20)

<i>Q.No</i>	<i>Questions</i>	<i>BTL</i>	<i>CO</i>	<i>Marks</i>
1.	State any two characteristics of a good investment.	L2	1	2
2.	Mention two factors affecting stock valuation.	L1	1	2
3.	What is meant by economic forecasting?	L1	2	2
4.	Define earnings per share (EPS).	L2	2	2
5.	What is Relative Strength Index (RSI)?	L2	3	2
6.	State the types of market efficiency.	L1	3	2
7.	What do you understand by the efficient set of portfolios?	L2	4	2
8.	Write a short note on the Markowitz model.	L2	4	2
9.	State the meaning of CAPM.	L1	5	2
10.	Mention the benefits of Mutual funds.	L1	5	2

PART - B (ANSWER ALL QUESTIONS) (Marks 5*16 = 80)

<i>Q.No</i>		<i>Questions</i>	<i>BLT</i>	<i>CO</i>	<i>Marks</i>
11.	a	Discuss the different types of investment avenues available to investors.	L2	1	16
		Or			
	b	Explain in detail the concept of risk and return. How can an investor minimize risk and maximize return in portfolio selection?	L2	1	16
12.	a	Analyze the interrelationship between economic, industry, and company analysis in fundamental research	L4	2	16
		Or			
	b	Examine the significance of Graham and Dodd's approach in modern investment analysis.	L4	2	16
13.	a	Explain the Efficient Market Theory and its forms — weak, semi-strong, and strong.	L4	3	16
		Or			
	b	Evaluate the key principles and importance of Dow Theory.	L4	3	16

14. a Explain in detail about the portfolio risk in the organization. L3 4 16
- Or
- b Compare and contrast the Markowitz model, Single Index model, and Multi-Index model. L3 4 16

15. a A Ltd. and B Ltd. have the following expected risk and return inputs for the following years. L5 5 16

Year	Return %	Variance σ^2 %
A Ltd. I yr	15	16
B Ltd. II yr	18	25

Portfolio risk (standard deviation) for a portfolio of 50% in each asset is 4.03. Determine the correlation coefficient that will be necessary to reduce the level of portfolio risk by 75%. What is the expected return of the equally weighted portfolio [50% of A Ltd. and 50% of B Ltd.]?

Or

- b Stocks X and Y display the following return over the past three years. L5 5 16

Year	Return %	
	X	Y
2012	14	12
2013	16	18
2014	20	15

- i. Determine the expected rate of return on portfolio made up of 40% of X and 60% of Y.
- ii. What is the standard deviation of each security?
- iii. Determine the portfolio risk of a portfolio made up of 40% of X and 60% of Y.