Roll No. | | | | | | | | | | |

Total No. of Questions : 17

Total No. of Pages : 02

MBA (2018 Batch) (Sem.–3)

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Subject Code : MBA 911-18

M.Code : 76896

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.

SECTION-A

Write briefly :

1. Confidence indicators
2. PE Ratio
3. Systematic risk
4. Portfolio construction
5. Security Market line
6. Marked to the Market concept
7. Factors influencing option premium
8. Figure Charting

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SECTION-B

UNIT-I

9. Narrate the objectives of Investment Management. How the investment opportunities are identified?
10. Who are the participants in the secondary market? Explain in details with examples the trading and settlement mechanisms.

UNIT-II

11. What is Fundamental Analysis all about? How the various environment factors influence the investment valuation?
12. What is the concept of intrinsic value? Explain the process of conducting Industry analysis and Company Analysis.

UNIT-III

13. What is portfolio Analysis? What are the effects of combining securities in portfolio analysis?
14. What is Dow Theory all about? Critically appraise the Dow Theory.

UNIT-IV

15. What is the rationale behind Capital Asset pricing Model (CAPM)? What are the basic assumptions of CAPM? Why in the perfect world of the CAPM, the financing decision and investment decision are separate?
16. What do you understand by a derivative contract? What are its different types? Explain with examples.

SECTION-C

17. Case Study :

Kapil Shah (Kapil) had started investing in the share market in his mid-twenties and had seen some ups and downs over a decade. Kapil then decided to overhaul all his existing stock positions on the increasing prospects of the Narendra Modi led National Democratic Alliance coming to power in India in May 2014. On the election results day - May 16, 2014 - he bought ten stocks to ride the possible development wave agenda of the new government. However, by the end of February 12, 2016, his portfolio had generated a return of only 1.96%. Things became tough for Kapil as repayment for a loan fell due on August 22, 2016. Kapil wanted someone's help to ensure he generated good returns from his portfolio so that he could repay the loan by liquidating a part or even his complete stock portfolio. For this, he contacted Dhaval P Vyas Investment Research, one of the leading financial consultancy firms in India. Based on Kapil's profile, Dhaval P Vyas suggested that Kapil drop six underperforming stocks and purchase six stocks which he expected would perform better in the future.

***Question* :**

What should Kapil do now?

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SECTION-A

Write briefly :

1. Moving Average
2. Sentiment indicators
3. PE Ratio
4. Unsystematic risk
5. Capital Market line
6. Portfolio revision
7. Arbitrage Opportunity
8. Circuit breakers

SECTION-B

UNIT-I

9. What are the objectives of Investment Management? Narrate the philosophy of individual and institutional investors with regard to investments.
10. What is the role and function of Primary Market? Explain in details the SEBI guidelines on Primary market.

UNIT-II

11. What is the meaning and scope of Fundamental Analysis? How the valuation of securities done by using fundamental analysis?
12. What is intrinsic value all about? Explain the process of conducting Company Analysis by using E-I-C and C-I-E approaches.

UNIT-III

13. What is Portfolio Management? What are the various approaches to Portfolio Analysis and Portfolio Evaluation?
14. What is Technical Analysis all about? How it is done?

UNIT-IV

15. What is the rationale behind Capital Asset Pricing Model (CAPM)? What are the basic assumptions of CAPM? In empirical testing of CAPM, what are two major questions that must be addressed?
16. What do you understand by Future contracts? How it is different from forward contracts? What are its different types?

SECTION-C

17. **Case Study :**

On November 7, 2017, the Lupin stock hit a 52-week low of Rs. 846.20 when the pharma major informed the NSE and the BSE about the warning letter it had received from the USFDA. Following the steep decline in the stock price, company's market valuation eroded by Rs 78.66 billion. Concerned over Lupin Ltd.'s margins, most of the brokerage houses cut their target price on the stock. Investors were left wondering whether they should sell the stock, hold it, or buy more. Examine the concept of risk and return analysis of this case.

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Roll No. [ ] Total No. of Pages : 02

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MBA (Sem.–3)

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Subject Code : MBA 911-18

M.Code : 76896

Date of Examination: 20-12-2023

Time : 3 Hrs. Max. Marks : 60

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3. SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.

SECTION-A

1. **Write briefly :**

   a) Bulk Deals

   b) Trading vs. Investment

   c) Industry Life Cycle

   d) Price vs. Value of Investment

   e) Support Level

   f) Trend Channels

   g) Futures Contracts

   h) Arbitrage Pricing Theory

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SECTION-B

UNIT-I

2. Differentiate between financial and real investment. Write a detailed note on various media of investment. Also briefly discuss the principles of sound investment planning.

3. What do you mean by primary market? Discuss the role and functions of primary market. Also briefly discuss the various participants in the Indian primary market.

UNIT-II

4. What do you mean by intrinsic value? Write a detailed note on the various factors affecting intrinsic value of a stock.

5. *'Long-term investment is a science as well as an art, however, the success of long-term investing besides fundamental factors also depend upon mindset and behavioural features of an investor'* Comment.

UNIT-III

6. What is technical analysis? Discuss the features and basic assumptions of technical analysis. Briefly discuss various types of charts used for technical analysis.

7. What do you mean by portfolio diversification? Discuss in detail various factors to be considered in asset allocation for portfolio construction.

UNIT-IV

8. What do you mean by Efficient Market Hypothesis? Discuss various types of market efficiency as described by Prof. Eugene Fama. Also briefly discuss the implication of presence and absence of market efficiency.

9. What do you mean by financial derivatives? Briefly discuss how futures contracts can be used for taking speculation, hedging and arbitrage positions in the market?

SECTION-C

10. **Case Study :**

Particulars	Stock	Bond	Call Option	Put Option
Current Market Price	Rs.120	Rs. 175	Rs. 10	10
Exercise Price	NA	NA	Rs. 120	Rs. 120
Term to Expiration	NA	6 Months	3 Months	3 Months
Price at Termination	NA	Rs. 150	NA	NA

Using the above information, you are required to answer the following questions:

a) If the price of a stock goes up to Rs. 145, what will be the investor's gain / loss in case of (i) Protective Put Strategy and (ii) Covered Call Strategy.

b) If the price of stock goes down to Rs. 108, what will be the investor's gain / loss in case of (i) Protective Put Strategy and (ii) Covered Call Strategy.

c) Explain the view of a speculator about the stock price who adopts the above strategies. Comment on the risk profile of the speculator under both strategies.

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Total No. of Pages : 03

MBA (Sem.–3)

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Subject Code : MBA 911/18

M.Code : 76896

Date of Examination : 28-05-2024

Time : 3 Hrs. **Max. Marks : 60**

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3. **SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.**

SECTION-A

1. **Write briefly :**

   (a) Expected Return

   (b) Secondary Market

   (c) Intrinsic Value

   (d) Momentum Investing

   (e) Primary Movement

   (f) Portfolio

   (g) Call Option

   (h) Behavioural Finance

SECTION-B

UNIT-I

2. Differentiate between speculation, investment and gambling. Briefly describe the process of investment management.

3. What do you mean by foiling settlement? Describe in detail the trading and settlement mechanism in the Indian stock market.

UNIT-II

4. What do you mean by margin of safety? Briefly discuss the role and importance of margin of safety in long-term investment. Discuss in detail the various factors that affect margin of safety of a stock as per the fundamental analysis.

5. *'Fundamental analysis helps the value as well as growth investors in selecting the best suitable stocks as per the investment philosophy of the investors'.* Elucidate with suitable examples.

UNIT-III

6. *'Price patterns, trading volume, open interest, market breadth, signals from related markets etc. are the key inputs for conducting technical analysis and the chartists read and infer the various technical charts in the light of above parameters'.* Comment. Give suitable examples in support of your answer.

7. What do you mean by portfolio management? Discuss the process of portfolio management. Give suitable examples in support of your answer.

UNIT-IV

8. What do you mean by efficient frontier? Discuss the assumptions of Markowitz model, which suggest efficient frontier. Also, briefly discuss the various limitations of Markowitz model.

9. Differentiate between forward and futures contracts. Briefly describe how forward and futures contracts can be used for speculation, hedging and arbitrage? Show hypothetical, payoffs in support of your answer.

SECTION-C

10. Case Study :

Given below is some key information pertaining to seven Indian mutual fund schemes :

Mutual Fund Scheme	Return	Standard Deviation	Beta
Nifty 50 Index Fund	4.50%	16.1	0.94
Sensex 30 Index Fund	15.40%	18.2	1.09
ELSS Tax Saver	9.00%	17.9	1.09
Midcap Opportunity Fund	12.90%	20.4	1.22
Small Cap Fund	12.30%	17.6	1.04
Banking Sector Fund	9.00%	16.1	1.00
ESG Fund	6.40%	17.9	1.04

The average borrowing rate on 91 day T-bills of 5.5% is assumed as the risk free rate. On the basis of above information, you are required to:

(a) Rank the above seven funds using the Sharpe, Treynor and Jensen Ratios.

(b) Which of the above portfolios is best diversified and which is least diversified?

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