C 63292

(Pages : 3)

Name..............................

Reg. No............................

SECOND SEMESTER M.A. DEGREE EXAMINATION, JUNE 2014

(CUCSS)

Applied Economics

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer **all** *questions.*
Each bunch of four questions carries a weightage of 1.

A.—Multiple Choices :

1. **The efficient** frontier was first created by :

   (a) Cootner.
   (b) Dow.
   (c) Harry Markowitz.
   (d) Shapiro.

2. Secondary market is also known as :

   (a) Bond market.
   (b) New issues market.
   (c) Stock market.
   (d) None of the above.

3. Ownership securities are :

   (a) Debentures.
   (b) Certificate of deposits.
   (c) Equity shares.
   (d) Gilt edged securities.

4. One who buys when all other sells is :

   (a) Hedger.
   (b) Holders.
   (c) Trend follower.
   (d) Contrarian.

B.—Multiple Choices :

5. **Tool of fundamental analysis :**

   (a) Intrinsic value of the security.
   (b) Price and volume.
   (c) Volume and Finance.
   (d) None of the above.

6. Proponent of continuous equilibrium model :

   (a) Cootner.
   (b) Hamilton.
   (c) Dow.
   (d) Samuelson.

Turn over

7. Efficient market hypothesis is closely associated to :

   (a) Fama.
   (b) Hamilton.
   (c) Robert Rhea.
   (d) Markowitz.

8. Dow theory was developed by :

   (a) Hamilton and Robert Rhea.
   (b) R.N. Eliot and Hamilton.
   (c) Robert Rhea and Kondrateu.
   (d) R.N. Eliot and Kondrateu.

C. Fill in the blanks :

9. Beta is a measure of
10. Government debt instruments are called
11. Markowitz model was a brilliant innovation in the science of
12. The return on a portfolio of assets is of the return on individual assets.

D. State whether the following statements are True *or* False :

13. Fundamental analysis studies past movements in the prices of securities.
14. Systematic risk is also known as market risk.
15. CAPM links risk to the return.
16. Primary market is also known as stock market.

(**16 x** ¼ = 4 weightage)

Part B

Answer any **ten** *questions.*
Each question carries a weightage of 2.

17. Write the scope of investment management.
18. Write a short note on risk and return.
19. What are the salient features of investment management ?
20. Bring out the risk factor in finance theory.
21. Write a note on portfolio risk and return.
22. What are the salient features of technical analysis ?
23. Write a note on price indicators of individual stock.
24. Briefly explain efficient market theory.
25. Explain briefly Samuelson's continuous equilibrium model.
26. Explain the concept of ex-ante rates of return on equities.
27. What are the different measures of risk ?
28. Briefly explain random walk theory.

(**10** x 2 = 20 weightage)

Part C

Answer any **three** *questions.*

Each question carries a weightage of 4.

29. Write a detailed note on the *various aspects of* Industry *analysis.*

30. Explain *in detail* the *various aspects of risk* and return.

L Explain *in* detail Cootner's *price* value interaction model.

32. Explain *in detail* CAPM.

R3. How to measure rate of return and *risk for a* portfolio ? Illustrate.

(3 x 4 = 12 weightage)