Nagarjuna Degree College
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35526

Reg. No. | | | | | | | | |

V Semester B.B.A. Degree Examination, April - 2022

BUSINESS ADMINISTRATION

Security Analysis and Portfolio Management

(CBCS Scheme 2019-20)

Paper : FN 5.6

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer should be written only in English.

SECTION - A

I. **Answer any Five . Each carries Two marks.** (5×2=10)

1. a) Mention any four investment goals of an individual.

   b) What is an optimal Portfolio?

   c) What is overvaluation and undervaluation of share?

   d) Mention any two advantages of Life Insurance Policies.

   e) What do you mean by 'Bonds in Perpetuity'?

   f) What is CAPM?

   g) Give any four examples of money market securities.

SECTION -B

II. **Answer any Three questions. each question carries Five marks.** (3×5=15)

2. Discuss the Arbitrage pricing Theory.

3. Distinguish between Investment and speculation.

4. Briefly discuss the different types of dirivatives.

5. Consider the portfolio consisting of five severities, with the following expected returns and weights.

[P.T.O.

Security	Expected Return(%)	Weight
A	11%	0.2
B	13%	0.1
C	14%	0.2
D	19%	0.2
E	18%	0.3

Calculate expected return of the portfolio

SECTION - C

III. Answer any Three Each question carries 15 marks. (3 × 15 = 45)

6. What is fundamental analysis. Explain the role of industry and company analysis.
7. Explain the different types of mutual Funds available for investment.
8. Discuss the risks and refurns associated with Fixed Income securities.
9. Rajiv holds a two stock Portfolio stock A has a standard deviation of refunds of 0.7 and stock B has a standard deviation of 0.5 the correlation coefficient of the two stocks is 0.25. Raju holds 50% of stock A and 50% of stock B in the portfolio. Calculate the Portfolio standard deviation.