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

29/11/2019

THIRD SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION NOVEMBER 2019

M.Com.

MC3E(F)02—SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Time : Three Hours Maximum : 36 Weightage

Part A

Answer **all** *the questions.*

Each question carries 1 *weightage.*

1. Distinguish between the financial and economic meaning of investment.
2. State any *four* sources of information for an investor.
3. Why do companies get their shares lited on the stock exchange ?
4. Write any two types of bonds.
5. What is point and figure chart ?
6. What is an efficient portfolio ?

(6 × 1 = 6 weightage)

Part B

Answer any **six** *of the following.*
Each question carries 3 *weightage.*

7. "Without adequate information the investor cannot carry out the investment programme"—Discuss.
8. What is portfolio diversification? How can efficient diversification be achieved ? Explain.
9. Explain the bond price theorem.
10. Write a short notes on CML and SML.
11. Discuss the relationship between fundamental analysis and efficient market hypothesis.
12. What is portfolio revision and portfolio selection ?

Turn over

13. "Risk is inherent part of the investment activity, systematic risk can not be avoided; however non-systematic risk can be avoided". Explain.
14. Write the essential difference between the Sharpe's and Treynor's model of portfolio performance? Discuss in detail.

(6 × 3 = 18 weightage)

Part C

Answer any **two** *of the following.*
Each question carries 6 *weightage.*

15. Assume that you know for certain that the market is heading towards the boom period. Should you buy a common stock based upon this information ?
16. "Moving averages not only smoothern the data, but also predict the market". Discuss.
17. Explain the steps in portfolio constructions as per traditional approaches.

(2 × 6 = 12 weightage)