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DATE:09-03-22

Registration number:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBA/BBASF – V SEMESTER**

SEMESTER EXAMINATION: OCTOBER 2021

(Examination conducted in February-March 2022)

**BBA DEF 5519 - Security Analysis and Portfolio Management**

*This question paper has \_\_2\_\_\_ printed pages*

Time- 2 ½ hrs Max Marks-70

**Section A**

I Answer ***any five*** of the following **(5 x2= 10marks)**

1.State with reason if Technical analysis will help earn super normal profits in an weakly efficient market.

2.Draw a bullish candlestick chart.

3.Diagramatically represent an efficient frontier.

4.What is SML?

5.State any two tools of Economic Analysis

6.What is short selling of shares?

**Section B**

II. Answer ***any three*** of the following **(3 x 5 = 15marks)**

7.Briefly discuss the types of mutual funds.

8.Explain Industry life cycle as a tool of industry analysis with examples.

9.Determine the expected rate of return on individual security by applying CAPM if return on treasury bills is 5% and NIFTY offers 9%

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Security A | Security B | Security C | Security D | Security E |
| β=0.7 | β =0.5 | β =0.3 | β =0.4 | β =0.2 |

10.Differentiate between systematic and unsystematic risk.

**Section C**

III Answer ***any two***of the following **(2 x 15= 30marks)**

11.a)What is portfolio revision. Discuss the main constraints and strategies involved in portfolio revision. (10 marks)

b) Write a short note on oscillators. (5marks)

12**.** The returns on Stock XY Ltd and the market portfolio for a 10 year period are given below:

|  |  |  |
| --- | --- | --- |
| Year | Return on  Stock XY (%) | Return on  Market Portfolio (%) |
| 1 | 30 | 36 |
| 2 | 18 | 15 |
| 3 | 39 | 18 |
| 4 | -12 | -8 |
| 5 | 13 | 30 |
| 6 | 14 | 26 |
| 7 | 4 | 7 |
| 8 | 18 | 5 |
| 9 | 24 | 21 |
| 10 | 22 | 30 |

Compute the β of XY Ltd

13. With the given details, evaluate the performances of the different funds using Sharpe Treynor and Jensen performance evaluation techniques and rank them

|  |  |  |  |
| --- | --- | --- | --- |
| Funds | Return(%) | S.D | β |
| A | 4 | 40 | 1.96 |
| B | 24 | 36 | 1.94 |
| C | 16 | 44 | 2.34 |
| D | 22 | 42 | 1.8 |
| E | 26 | 43 | 0.6 |

Risk free rate of return is 8%

Nifty offers 12%.

**Section D**

**IV Answer the following question:** **(1 x 15= 15marks)**

14.Calculate the Risk and return of the following Security

|  |  |
| --- | --- |
| Period | Return(%) |
| 1 | 14 |
| 2 | 16 |
| 3 | -8 |
| 4 | 18 |

Will the risk and return change if there are equal probabilities for all the returns. Explain through calculations.

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