

SECOND SEMESTER M.A. DEGREE EXAMINATION, JUNE 2015

(CUCSS)

Applied Economics

Optional I – 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 Choice :

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. Creditor ship securities are :
(a) Equity shares. (b) Preference shares.
(c) Bonus shares. (d) Gilt edged securities.
4. One who buys when all other sells is :
(a) Trend follower. (b) Contrarian.
(c) Hedgers. (d) Holders.

B. Multiple Choice :

5. Tools of fundamental analysis :
(a) Intrinsic value of the security. (b) Price and Volume.
(c) Volume and Finance. (d) None of the above.
6. Dow theory was developed by :
(a) Hamilton and Robert Rhea. (b) R.N. Elliott and Hamilton.
(c) Robert Rhea and Kondrateu. (d) R.N. Elliott and Kondrateu.

Turn over

7. Efficient market hypothesis is closely associated to :
- (a) Fama. (b) Hamilton.
(c) Robert Rhea. (d) Markowitz.
8. The proponent of price value interaction model :
- (a) Hamilton. (b) Dow.
(c) Samuelson. (d) Cootner.
- C. Fill in the blanks :
9. Beta is a measure of
10. Government debt instruments are called
11. To measure risk the statistical tool used is
12. A portfolio is a collection of
- 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. Certificate of deposits is a short term debt instrument.
16. Harry Markowitz is the father of modern portfolio analysis.

(16 x $\frac{1}{4}$ = 4 weightage)

Part B

Answer any **ten** questions.

Each question carries a weightage of 2.

17. Briefly explain the investment setting in India.
18. Bring out the inter-relationship between risk and return.
19. Write a short note on Portfolio management scenario in India.
20. How do you classify risks?
21. Write a short note on various aspects of security analysis.
22. Distinguish between technical and fundamental analysis.
23. Write a note on price volume analysis of individual stock.
24. Explain briefly random walk theory.
25. Briefly explain Cootner's price value interaction model.
26. How to calculate required rates of return on equities?
27. What are the different measures of risk?
28. Briefly explain efficient market hypothesis.

(10 x 2 = 20 weightage)

Part C

*Answer any **three** questions.*

*Each question carries a weightage of **4**.*

29. What are the functions of investment management?
30. Discuss in detail the various aspects of company analysis.
31. Explain in detail Samuelson's continuous equilibrium model.
32. What are the issues behind CAPM? Elaborate.
33. How to measure rate of return and risk for a portfolio? Illustrate.

(3 x 4 = 12 weightage)