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**S – 6925**

**Reg. No. :** .....

**Name :** .....

**Third Semester M.Com. Degree Examination, February 2024**

**Elective : Finance**

**Paper II : CO 232 F – SECURITY ANALYSIS AND PORTFOLIO  
MANAGEMENT**

**(2018 Admission Onwards)**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer **all** questions. Each question carries **2** marks.

1. What is technical analysis?
2. What is unsystematic risk?
3. What is random walk theory?
4. What is security analysis?
5. What is GDP?
6. What is support level in stocks?
7. What is short selling?
8. What is P/E ratio?
9. What is YTC?
10. What is portfolio revision?

**(10 × 2 = 20 Marks)**

P.T.O.



## SECTION – B

Answer any **five** questions. Each question carries **5** marks.

11. Write a note on Arbitrage Pricing Theory.
12. Write a note on various types of debentures.
13. Discuss the similarities and differences between SML and CML.
14. What are the features of Traditional Approach and Portfolio management Process?
15. Write a note on Eliot Wave Theory.
16. Explain different types of risks.
17. What is the importance of Financial Performance Analysis?
18. An investor purchases for Rs.5555 a zero coupon bond whose face value is Rs.7000 and maturity period is three years. Calculate the spot interest rate of the bond.

**(5 × 5 = 25 Marks)**

## SECTION – C

Answer any **two** questions. Each question carries **15** marks.

19. Explain the multiplier approach to share valuation.
20. “CAPM can be used to evaluate the pricing of securities”. Discuss.
21. Describe how the total return of a portfolio can be decomposed into different sources, using Fama’s decomposition formula.
22. A company paid a cash dividend of Rs. 4 per share on its on its stock during the current year. The earnings and dividends of a company are expected to grow at an annual rate of 8 per cent indefinitely. Investors expect a rate of return of 14 per cent on the company’s share. What is a fair price for this company’s shares?

**(2 × 15 = 30 Marks)**

