QP Code: RN22BBA057 Reg. No | | | | | | | | | | | AR 22

GANDHI INSTITUTE OF ENGINEERING AND TECHNOLOGY UNIVERSITY, ODISHA, GUNUPUR
(GIET UNIVERSITY)

B. B. A (Fifth Semester) Examinations, November-2024

21BBBAFN35004 – Securities Analysis and Portfolio Management

Time: 3 hrs Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A **(2 x 10 = 20 Marks)**

Q.1. Answer ***ALL*** questions	CO #	Blooms Level
a. Define Monthly Income Scheme.	CO1	K1
b. Define Financial Risk.	CO1	K1
c. Identify the causes of Inflation.	CO2	K1
d. Examine the significance of Comparative Financial Statements.	CO2	K3
e. Highlight the assumptions of Markowitz Theory	CO3	K1
f. Define Exchange Rate Risk.	CO3	K1
g. Write a short note on Inflation Linked Bonds.	CO4	K1
h. Discuss in brief about the concept of Yield.	CO4	K1
i. Explain the process to evaluate a stock using Sharpe's Performance Index Ratio.	CO5	K1
j. Explain Performance attribution.	CO5	K1

PART – B **(8 x 5 = 40 Marks)**

Answer ***All*** the questions	Marks	CO #	Blooms Level
2. a. Explain components of Indian Financial System.	8	CO1	K2
(OR)			
b. Compare and contrast between financial services and financial instruments.	8	CO1	K2
3.a. Compare and contrast between Fundamental and Technical Analysis.	8	CO2	K2
(OR)			
b. Explain in detail about various Bond Valuation Models with suitable examples.	8	CO2	K2
4.a. Stocks S1 and S2 have yielded the following returns (%) for the past two years.	8	CO3	K5

Years	S1	S2
2020	15	18
2021	20	16

i). What is the expected return on portfolio made up of 70% of S1 and 30% of S2? **(2 marks)**

ii). Find out the standard deviaton of each stock. **(2 marks)**

iii). What is the covariance and coefficient of correlation between S1 and S2?
(2 marks)

What is the portfolio risk of a portfolio made up of 70% of S1 and 30% of S2? **(2 marks)**

(OR)

b. Assume CAPM equilibrium model with unlimited borrowing and lending at the riskless of interest. Complete the blanks in the following table. 8 CO3 K5

Security	E(R)	α	β	e_i^2
S1	0.15	---	2.00	0.10
S2	---	0.25	0.75	0.04
S3	0.09	---	0.50	0.17

5.a. Ajay buys a bond with four years to maturity. The bond has a coupon rate of 9% and is priced ₹100in the market. 8 CO4 K3

i). What is the duration of the bond? **(6 marks)**

What will be the percen5tage change in the price of the bond if the interest rate rises to 10%? **(2 marks)**

(OR)

b. i). At an annual rate of compounding of 9%, how long does it take for a given sum to become double and triple its original value? **(4 marks)** 4 CO4 K3

ii). Of the following which amount is worth more at 16%, ₹1,000 today. Or ₹2,100 after five years. **(4 marks)**

6.a. Explain the Sortino Ratio with suitable example. 8 CO5 K2

(OR)

b. The portfolio of a hedge fund had the following performance in returns for 2021 is as follows: 8 CO5 K2

January	= -1.0%	July	= 16.0%
February	= -4.0%	August	= 12.0%
March	= -8.0%	September	= 5.0%
April	= 10.0%	October	= 3.0%
May	= 20.0%	November	= -2.0%
June	= 25.0%	December	= -4.0%

Risk free rate is assumed to be 2.5%. Apply Sortino ratio.

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