

**M.B.A. (GEN.) / M.B.A. (HR) / M.B.A. (IT) / SEMESTER - III
(2012 COURSE)(CHOICE BASED CREDIT SYSTEM) /M.B.A.
(FM) SEMESTER - III (2013 (CHOICE BASED CREDIT SYSTEM)
: SUMMER - 2018**

**SUBJECT: ELECTIVE –I: INVESTMENT ANALYSIS AND PORTFOLIO
MANAGEMENT (FM)**

Day: **Saturday**
Date: **19/05/2018**

S-2018-1881

Time: **10.00 AM TO 01.00 PM**
Max. Marks: 100

N.B.:

- 1) Attempt any **FOUR** questions from Section –I and any **TWO** questions from Section –II.
 - 2) Figures to the right indicate **FULL** marks.
 - 3) Answers to both the sections should be written in the **SEPARATE** answer book.
 - 4) Use of non-programmable **CALCULATOR** is allowed.
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SECTION-I

- Q.1** Explain the concept of “Mutual Funds”. What are the objectives and functions of mutual fund manager (15)
- Q.2** Explain the Importance and Limitations of Technical Analysis. (15)
- Q.3** Write a note on (15)
a) Market Efficiency
b) Behavioral Finance.
- Q.4** What is the process of Portfolio Management? (15)
- Q.5** Write short notes on any **TWO** of the following: (15)
a) Arbitrage Pricing Theory
b) Capital Asset Pricing Model
c) Systematic Risk of a Security

SECTION-II

- Q.6** a) What are the factors affecting on fundamental analysis? (10)
b) Explain Bond Management Strategies. (10)

P. T. O.

- Q.7** The returns to the equity stock of Bharati Limited and the market portfolio (20) over an 10 year period are given below:

Year	Return on Bharati Ltd. (%)	Return on Market Portfolio (%)
1	30	24
2	-12	2
3	36	28
4	60	48
5	24	32
6	50	60
7	4	-6
8	40	48
9	36	30
10	48	44

- Calculate the beta for the stock of Bharati Limited.
- Establish the characteristics line for the stock of Bharati Limited.

- Q.8** The returns of two assets under four possible states of nature are given below: (20)

State of nature	Probability	Return on asset 1	Return on asset 2
1	0.20	5%	0%
2	0.10	10%	8%
3	0.30	15%	18%
4	0.15	20%	26%

- What is the standard deviation of the return on asset 1? Asset 2?
- What is the covariance between the return on assets 1 and 2?
- What is the coefficient of correlation between the returns on assets 1 and 2?

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