

**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) : WINTER - 2017**

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

Day: **Thursday**  
Date: **30/11/2017**

**W-2017-1765**

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.

**SECTION-I**

- Q.1** What do you mean by Investment? Explain any four avenues of Investments available to the Investor. **(15)**
- Q.2** Explain the objectives and types of Mutual Funds **(15)**
- Q.3** What do you understand by Fundamental Analysis? Explain factors affecting fundamental analysis. **(15)**
- Q.4** Explain the concept of Portfolio management and describe its process in detail. **(15)**
- Q.5** Write short notes on any **TWO** of the following: **(15)**
- a) Derivatives
  - b) Bond management strategies
  - c) Behavioral Finance

**SECTION-II**

- Q.6** a) Explain Efficient Market Hypothesis. **(10)**
- b) Explain different types of Risks. **(10)**

**P. T. O.**

- Q.7** The returns to the equity stock of Bharat Electricals Limited and the market portfolio over an 11 year period are given below: **(20)**

Year	Return on Bharat Electricals Ltd. (%)	Return on Market Portfolio (%)
1	15	12
2	-6	1
3	18	14
4	30	24
5	12	16
6	25	30
7	2	-3
8	20	24
9	18	15
10	24	22
11	8	12

- Calculate the beta for the stock of Bharat Electrical Limited.
- Establish the characteristics line for the stock of Bharat Electrical 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	0.10	5%	0%
2	0.30	10%	8%
3	0.50	15%	18%
4	0.10	20%	26%

- What is the standard deviation of the return on asset 1 and 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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