B.Com(Hons) DEGREE EXAMINATION,APRIL 2019
III Year VI Semester
Security Analysis and Portfolio Management

Time : 3 Hours **Max.marks :75**

Section A $(10 \times 2 = 20)$ Marks

Answer **ALL** the questions

1. Define Investment.
2. List out any two sources of investment information.
3. Distinguish between systematic risk and unsystematic risk.
4. Explain any two advantages of company analysis.
5. How is fundamental analysis useful to a prospective investor?
6. What did you understand by portfolio management?
7. How will you diversify the risk ?
8. List any four principles of portfolio management.
9. What do you mean by CAPM?
10. What is security market line?

Section B $(5 \times 5 = 25)$ Marks

Answer any **FIVE** questions

11. What are the factors favourable for making investments in an economy?
12. Explain the objectives of investment.
13. What is the statistical techniques would you choose to calculate risk?
14. What are the assumptions in capital asset pricing model?
15. What is portfolio management ? Explain its objectives.
16. What do you mean by measurement of risk?
17. Explain the portfolio management process.
18. What is technical analysis? Explain its tools.

Section C $(2 \times 15 = 30)$ Marks

PART - A - Case Study - Compulsory Question

19. A large sovereign wealth fund sought to improve their investment program while working to in source more of its management. As a growing institution, this client wanted to secure the support and expertise of a trusted investment strategist who could help them in their asset allocation policy and infrastructure. While some of the client's issues were investment related-i.e. exploring advanced beta, and learning how to access certain markets-others concerned their overall investment process. Specifically, they needed to improve the collaboration among the different teams involved in their investment process, making sure they were all on the same page and utilized the same databases. Given the gaps in this client's expertise-both investment and process related-they needed to rely on the longstanding expertise of a global asset manager who had not only seen the issues they faced, but had also solved them. The client's primary concerns were:

Learning to make more effective asset allocation decisions in order to ultimately move more of these decisions in house.

Replicating some illiquid investments with liquid proxies.

Determining whether they should focus more on active or passive strategies. While they did have a specific project, in the course of working with us, they soon realized their needs and objectives were substantially broader. Because State Street Global Advisors (SSGA) had dealt with similar issues and offered them expertise in multiple betas, teams, etc., they sought to develop a more robust relationship with us.

Question

i. As a investment strategist, what will be the sources of investment information and process that will suggest your clients.

PART - B

Answer any ONE question

20. 'Systematic risk cannot be controlled but un-systematic risk can be reduced' - Elaborate.

21. Explain briefly the different approaches to security analysis.

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