

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)**

**(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.**

M.Com.(A&F) END SEMESTER EXAMINATIONS APRIL - 2022

SEMESTER - IV

20PAFCT4012 - Security Analysis and Portfolio Management

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. What are the objectives of Investment?
2. What are the features of investment programme?
3. Mr.X deposits Rs.10,000 on 1.1.2007 at 10% rate of interest. How many years will it take to double this amount? Workout this problem by using,
(a) Rule of 72 (b) Rule of 69.
4. Mr.Ramu invest Rs.1,00,000 in a bank at 10% for 5 years. Calculate the maturity value if interest is compounded annually. Will it get more if interest is compound half yearly?
5. Define portfolio management. Describe its process.
6. What are the functions of Derivatives?
7. What is portfolio diversification? What considerations are necessary for it?
8. Compute the value of the bond from the following information. Interest is paid annually.
Par value Rs.100
Coupon rate of interest 8%
Years remaining to maturity date: 10
The required rates of return on bonds are
(a) 7%
(b) 8%
(c) 10%

Section B

Part A

Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Explain the various sources of investment information.

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10. How does Markowitz theory help in planning an investors portfolio?
11. A firm has paid dividend at Rs. 2 per share. The estimated growth of the dividends from the company is estimated to be 5% p.a. Determine the estimated market price of the equity share if the estimated growth rate of dividends – (1) Raises to 8% and (2) falls to 3%. Also find out the present market price of the share, given that the required rate of return of the equity investors is 15.5%.
12. Explain the CAPM. How does it help in the estimation of expected return of a security?

Part B

Compulsory question (1 × 10 = 10 Marks)

13. Describe the various steps involved in fundamental analysis briefly.
