



Internal Assessment Test - I												
Sub:	SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT							Code:	22MBAFM304			
Date:	18-01-2024	Duration:	1.30 Hrs	Max Marks:	50	Sem:	III	Branch:	MBA			
SET- III												

Part A - Answer Any Two Full Questions (2* 20 = 40 marks)

- 1 (a) Define the term Securities.
- (b) Explain the difference between Speculator and Investor.
- (c) Examine about the Investment Process in detail.

- 2 (a) Describe the term Bonus Shares.
- (b) Analyze the Debenture in detail.
- (c) Outline the Functions of Stock Exchange.

- 3 (a) Define the term Bond.
- (b) Examine the Investment Information in detail.
- (c) Summarize the types of Stock Index in detail.

Marks	OBE	
	CO	RBT
[03]	CO1	L1
[07]	CO1	L2
[10]	CO1	L3
[03]	CO1	L2
[07]	CO1	L4
[10]	CO1	L4
[03]	CO1	L1
[07]	CO1	L2
[10]	CO2	L5
[10]	CO2	L4

Part B - Compulsory (01*10=10 marks) – CASE STUDY

Analyze the case given below.
 An investor has a choice of four stocks for investment. Their rates of return and probabilities are given below.

A		B		C		D	
Return (%)	Prob. (%)	Return (%)	Prob. (%)	Return (%)	Prob. (%)	Return (%)	Prob. (%)
-30	20	-20	15	-20	20	-10	10
0	40	0	35	10	40	0	25
30	30	20	45	40	30	10	40
70	10	40	5	80	10	20	25

- i. Are all these stocks attractive? among the attractive.
- ii. Choose any one stock to buy

Course Outcomes (COs)	PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
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SCHEME OF EVALUATION

Internal Assessment Test 1- Jan 2024

Sub: **SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

Code: **22MBAFM304**

Date: 18-01-24 Duration: 90mins Max Marks: 50 Sem: III

Branch: **MBA**

Note: Part A - Answer Any Two Full Questions (20*02=40 Marks)

Part B - Compulsory (01*10= 10marks)

Part	Question #	Description	Marks Distribution		Max Marks
A	1	a) Securities Any instrument which represent a claim over an asset or any future cash flows.	3 marks Explain meaning	3	20 M
		b) Speculation & Investment → Time Horizon → Risk → Return → Decision → Fund	2 marks Explain & 5 marks Explain	7	

①

	c)	<p>Investment process</p> <p>Saving → investment → capital formation</p> <p>process:</p> <ul style="list-style-type: none"> * Investment Policy * Security Analysis * Valuation * Portfolio Construction * Portfolio Evaluation <p>Explain it with the examples.</p>	Investment meaning formation process policy analysis valuation construction evaluation	10	
2	a)	<p>Bonus Shares</p> <p>Dist. of shares in addition to cash dividends to the existing shareholders are known as Bonus Shares</p>	Bonus for meaning	3	20 M

2

	<p>b) Statement of Indenture / Indenture</p> <ul style="list-style-type: none"> ✓ Issued by Company ✓ for sector companies ✓ Features of deb: <ul style="list-style-type: none"> * Interest * Redemption * Indenture 	<p>3 marks 50% ↓ 4 marks 50% 20%</p>	7	
	<p>c) Functions of Stock Exchange:</p> <ul style="list-style-type: none"> ✓ maintenance of active trading ✓ fixation of price ✓ safe & fair trading ✓ aiding in financing ✓ dissemination of info. ✓ inducing the company to perform well. <p>Explain the points above in detail</p>	<p>4 marks 50% ↓ 6 marks 50% Explanation</p>	10	

3

	a)	<p>Bond</p> <p>Debt security issued by the Govt, Quasi-govt, public sector enterprises and financial institutions</p>	3 marks	3	
3	b)	<p>Investment information</p> <ul style="list-style-type: none"> ✓ Adequate knowledge ✓ newspapers & investment dailies ✓ magazines / Journals ✓ website / internet ✓ RBI bulletin ✓ Stock Market information <p>Explain in detail.</p>	<p>3 marks</p> <p>20 marks</p> <p>3</p> <p>4 marks</p> <p>20 marks</p>	7	20 M

		<p>c) <u>Types of stock index</u></p> <ul style="list-style-type: none"> ✓ Price index ✓ Wealth index <p>→ BSE sensitive index</p> <p>→ NSE Divi index</p> <p>→ COX Divi Junior</p> <p>→ S & P COX Divi</p> <p>Explain all the above in detail with its features.</p>	<p>devised BSE 1985 3 6 months for explan- ation</p>	10	
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3

a)

Candidate has to compute the mean and SD for every stock and then write the conclusion.

B 4

$$A$$

$$\bar{x} = 10$$

$$G = 28.98$$

$$B$$

$$\bar{x} = 8$$

$$G = 16$$

$$C$$

$$\bar{x} = 20$$

$$G = 28.98$$

$$D$$

$$\bar{x} = 8$$

$$G = 9.27$$

Stock C is the best among all the stocks.

10 10M

2 marks each for every stock & 2 marks for conclusion

6

18/1/24