

Internal Assessment Test - I

Sub:	SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT						Code:	22MBAFM304	
Date:	05-03-2024	Duration:	1.30 Hrs	Max Marks:	50	Sem:	III	Branch:	MBA
SET- III									

		OBE																			
		CO	RBT																		
Part A - Answer Any Two Full Questions (2* 20 = 40 marks)		Marks																			
1 (a)	Define the term Marketability Risk in Bond Risk.	[03]	CO3 L1																		
(b)	Explain the different types of theorems in Bond.	[07]	CO3 L2																		
(c)	Examine about these terminologies: Holding Period Return, The Current Yield & Yield to Maturity.	[10]	CO3 L3																		
2 (a)	Describe the term Multiple Year Holding Period.	[03]	CO3 L2																		
(b)	Analyze the Company Analysis in detail.	[07]	CO3 L4																		
(c)	Outline the return of X Co. Ltd. and S & P 500 index for a period of 5 years.	[10]	CO3 L4																		
<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Years</th> <th style="text-align: center;">1</th> <th style="text-align: center;">2</th> <th style="text-align: center;">3</th> <th style="text-align: center;">4</th> <th style="text-align: center;">5</th> </tr> </thead> <tbody> <tr> <td>Return on X Co. (in %)</td> <td style="text-align: center;">20</td> <td style="text-align: center;">34</td> <td style="text-align: center;">18</td> <td style="text-align: center;">16</td> <td style="text-align: center;">09</td> </tr> <tr> <td>Return on S & P 500 (in %)</td> <td style="text-align: center;">18</td> <td style="text-align: center;">26</td> <td style="text-align: center;">10</td> <td style="text-align: center;">18</td> <td style="text-align: center;">08</td> </tr> </tbody> </table>		Years	1	2	3	4	5	Return on X Co. (in %)	20	34	18	16	09	Return on S & P 500 (in %)	18	26	10	18	08		
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Return on X Co. (in %)	20	34	18	16	09																
Return on S & P 500 (in %)	18	26	10	18	08																
Calculate																					
i. Slope of the line (Beta)																					
ii. Intercept of the line (Alpha)																					
iii. Unsystematic risk (Residual Variance)																					
iv. Correlation																					
v. Variance																					
vi. Coefficient of determination (CD)																					
3 (a)	Define the term Short Sales.	[03]	CO4 L1																		
(b)	Examine the Support and Resistance Level in detail.	[07]	CO4 L2																		
(c)	Summarize the role of Fundamental analysis and its analysis in Stock Market.	[10]	CO4 L5																		
Part B - Compulsory (01*10=10 marks) – CASE STUDY																					
4	Analyze the case given below.																				
	Calculate the duration for bond A and Bond B with 7% and 8% coupons having maturity period of 4 years. The face value is Rs.1,000. Both the bonds are currently yielding 6%.	[10]	CO3 L4																		

Course Outcomes (COs)		PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
CO1:	Understand the capital market and various Instruments for Investment.									
CO2:	Assess the risk and return associated with investments and methods to value securities.									
CO3:	Analyze the Economy, Industry and Company framework for Investment.				1a, 1b, 1c, 2a, 2b, 2c, 4				1a, 1b, 1c, 2a, 2b, 2c, 4	
CO4:	Learn the theories of Portfolio management and also the tools and techniques for efficient portfolio management.		3a, 3b		3c					3a, 3b, 3c

Cognitive level	KEYWORDS
L1 - Remember	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2 - Understand	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3 - Apply	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4 - Analyze	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5 - Evaluate	asses, decide, choose, rank, grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6 - Create	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

PO1–Theoretical Knowledge; PO2–Foster Analytical and Critical Thinking Abilities for data based decision making; PO3– Develop Value Based Leadership; PO4 –Ability to Understand and communicate various business aspects to global; PO5 – Ability to lead themselves and others in the achievement of organizational goals contributing effectively to a team environment;
PSO1- Comprehend Contemporary features of Business Management Science and its administration
PSO2- Analyze and interpret the dynamic situations for making Business Management strategies
PSO3- Handle responsibility with the ethical values for all actions undertaken by them
PSO4- Adapt and focus on achieving the organizational goal and objectives with complete zeal and commitment.

CI

CCI

HOD

SCHEME OF EVALUATION

Internal Assessment Test 2- March 2024

Sub: **SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

Code: **22MBAFM304**

Date: 05-03-24 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) Marketability Risk in Bond There is difficulty in liquidating the bonds in the market.	3m	3	20 M
		b) Types of Theorems: 1 - Based on mkt price ↑. 2 - Bond yields remain constant 3 - Dis. & premium on bond 4 - Decline in bond yields 5 - % change in bond price.	3m 2m 2m 3m	7	

	c)	<p>HPR</p> $\frac{\text{Price Gain} + \text{Coupon Payment}}{\text{Purchase Price}}$ <p>or</p> $\frac{\text{Actual Coupon Payment}}{\text{Purchase Price}}$ <p>4.13</p> <p>Price Discount section that makes the present value of future cash flows from bond equivalent to the CP of the bond</p>	<p>4 m for points</p> <p>6 m for explanation</p>	10	
2	a)	<p>Multiple year H.P. is the holding period is more than a year.</p>	<p>2.3</p>	3	20 M

 Case Study I

b)	<p>Company Analysis</p> <ul style="list-style-type: none"> → competitive edge of the company → M & S → Growth of sales → Stability of the sales 	<p>3 M Profit & 4 M 800 Expansion</p>	7
	<p>Bond A</p> <p>$D = 3.63$</p>	4 M	(10)
	<p>Bond B</p> <p>$D = 3.59$</p> <p>Bond with less of coupon payment less a shorter duration compared to the bond with less coupon rate.</p>	4 M	10
	23		

a)	<p>Short sided Selling of shares that are not owned.</p>		3	
3	<p>b) Support & Resistance level</p> <p>Fall in the price may be halted for the time being or it may result even in price reversal.</p> <p>The supply of shares would be greater than the demand selling pressure is greater & the increase in price is halted for the time being</p>		7	20 M

c)

Fundamental Analysis

* Economic Analysis

- GDP
- Savings & Investment
- Inflation
- Govt. Expenditure
- Budget
- Tax Structure

* Industry Analysis

- Growth
- Market of Demand
- Labour
- Govt. Policy
- Govt. Subsidies

* Company Analysis

- Competitive edge of Co.
- New share
- Growth of sales
- Profitability of sales

Price of share

Dividend -
Interest