Tilak Maharastra University
Master of Business Administration (Distance)
(Semester - IV) - Internal Evaluation (Finance)
Security Analysis and Portfolio Management

Marks : 80   **Code : MDF 405**

Note:
- ❖ The Paper Consist of two sections I& II
- ❖ Attempt any three questions from Section I
- ❖ Section II is Compulsory

Section I

Question No-1 a) " Investment is well-grounded and carefully planned speculation".
Do you agree with this statement? Please explain.

OR

b) "Financial risk is a function of financial leverage." Explain.

15 Marks

Question No-2 a) What is fundamental analysis?

OR

b) "The first step in industry analysis is to determine the stage of growth through which the industry is passing." Explain.

15 Marks

Question No-3   a) What are oscillators? Explain the calculation and interpretation of any one oscillator.

OR

b) Distinguish between the feasible set of portfolios and the efficient set of portfolios.

15 Marks

Question No-4   a) Write short notes (Any three out of five)
  1.   Interest rate risk
  2.   Unsystematic risk
  3.   Optimal portfolio
  4.   Capital market line
  5.   Constant rupee value plan

OR

b) What is Capital Asset Pricing Model? List the assumptions of   capital asset pricing model.

15 Marks

SECTION - II

Question No-5   The performance of three mutual funds, A, B, and C and the market was as below:

	Mean Return (%)	Standard Deviation (%)	Beta
A	12	18	1.1
B	10	15	0.9
C	13	20	1.2
Market Index	11	17	1.00

The mean risk-free rate was 6 per cent. Calculate the Treynor ratio, Sharpe ratio and Jensen ratio for the three mutual funds and the market index.

25 Marks

Question No-6   What is differential return? Explain how Jensen ratio measures the differential return of a portfolio.

10 Marks