Roll No. **Total No. of Pages : 03**

Total No. of Questions : 15

MBA (2012 & Onward) (Sem.–3)

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Subject Code : MBA-921

Paper ID : [C1172]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.**

SECTION-A

Q1 What are the various investment alternatives available in India? (5)

Q2 With reference to Indian stock market, discuss the difference between block deal and bulk deal with the help of an example. (5)

Q3 What are the basic tenets of Dow Theory? (5)

Q4 Explain the concept of market efficiency. (5)

Q5 What is a bear market? Discuss its phases with the help of an example. (1+4)

Q6 Explain the concept of behavioral finance. (5)

SECTION–B

UNIT-I

Q7 Discuss the role of various parties involved in the primary market. (08)

Q8 What is a market wide circuit breaker? Why do stock exchanges need market wide circuit filters? Discuss the Index based market-wide circuit breaker mechanism as recommended by SEBI for stock exchanges in India. (2+2+4)

UNIT-II

Q9 What do you mean by support and resistance? Discuss in detail the methods of determining support and resistance levels. (2+6)

Q10 Describe various tools used to perform industry analysis. (08)

UNIT-III

Q11 Discuss various techniques used to evaluate portfolio performance. (08)

Q12 Describe in detail capital asset pricing model along with its assumptions and criticism.

(08)

UNIT-IV

Q13 What is a forward contract? Explain with the help of an example. Discuss its features. (2+2+4)

Q14 Describe the clearing and settlement procedure adopted by National Stock Exchange for futures contract. (08)

SECTION-C

Q15 **Case Study**

Lok Sabha elections results are going to be announced on 16th May 2014. This may cause huge volatility in the stock market As an analyst, suggest any two different option trading strategies to your clients that can be used by them to make money from the market. The prices of various derivative instruments are given below :

Spot value of NIFTY : 7000

NIFTY FUTURE : 7025

Option Prices :

Price of European Call	Strike Price	Price of European Put
460	6700	140
390	6800	170
330	6900	210
270	7000	250
220	7100	290
180	7200	340
150	7300	400

Note: i) Each lot of Nifty contains 50 units

ii) There is no transaction cost

iii) All derivative contracts expire on 29 May 2014

Questions : Discuss each strategy in detail using the following :

i) Maximum loss, Break Even Point and Maximum Profit in each strategy

ii) Payoff of each strategy