



**Part – B**

**(5 x 4 = 20)**

**Answer All the Questions**

**Answer should not exceed 200 words or one page**

11(a) What are the basic principles of Investments?

(or)

11(b) What is meant by Systematic Risk? What are its kinds?

12(a) Write a short note on P/E ratio.

(or)

12(b) Supreme Company Ltd. stock is currently selling at ₹ 25 per share. The stock is expected to pay ₹ 1 as dividend per share at the end of the next year. It is reliably estimated that the stock will be available for as ₹ 29 at the end of one year. If the forecasts about the dividend and price are accurate, is it advisable to buy at the present price? His required rate of return is 20%.

13(a) What are the different types of Charts used by the Security Analysts?

(or)

13(b) State briefly about the Random Walk Theory.

14(a) What are the objectives of Portfolio Construction?

(or)

14(b) What are the policies usually followed in Portfolio Management?

15(a) Write a note on Sharpe's Performance Index.

(or)

15(b) State the different strategies adopted for Portfolio Revision.

**Part – C**

**(5 x 7 = 35)**

**Answer All the Questions**

**Answer should not exceed 600 words or three pages**

16(a) Enumerate the various forms of investment alternatives.

(or)

16(b) How do statistical methods help in measuring returns on investments?

17(a) Discuss the different approaches in valuing Equity Shares.

(or)

17(b) Explain in brief about the different kinds of Bonds.

18(a) Describe briefly about Efficient Market Theory.

(or)

18(b) What are the factors considered for Industrial analysis? Explain.

19(a) How does Markowitz theory help in planning an investor's Portfolio?

(or)

19(b) The data is as follows:

Year	Stock	Return
1	R	10
1	S	12
2	R	16
2	S	18

a) What is the expected Return on a portfolio made up of 40% R and 60% S?

b) What is the standard deviation of each stock?

20(a) Explain the process involved in the Evaluation of a Portfolio.

(or)

20(b) The following information is provided regarding the performance of the funds namely Birla Advantage, Sundaram Growth and Sun F&C for a period of 6 months ending August 2015. The risk free rate of Interest is assumed to be 9 per cent. Rank them with the help of Treynor Index.

	$R_p$	$\sigma_p$	$\beta$
Birla Advantage	25.38	3.45	0.23
Sundaram Growth	25.11	9.01	0.56
Sun F&C	25.01	3.55	0.59

\*\*\*\*\*