END TERM EXAMINATION

SIXTH SEMESTER [BBA] JUNE 2024

Paper Code: BBA-310	Subject: Investment Analysis and Portfolio Management
Time: 3 Hours	Maximum Marks: 75

Note: Attempt all questions as directed. Internal choice is indicated.

Q1   Attempt **any five** of the following: **(5x5=25)**
- (a)   How investment is different from gambling and speculation?
- (b)   What is yield to maturity? What is its importance in security valuation?
- (c)   State the important assumptions of DOW theory. How does it form the basis for technical analysis?
- (d)   Distinguish between the capital market line and the security market line.
- (e)   What are exchange-traded funds (ETFs)? How are these different from mutual funds?
- (f)   What is NAV of a mutual fund? How is it computed?

Q2   What are the different types of risks related to investment? How can we measure risk? Also, distinguish between systematic and unsystematic risks giving examples.   **(12.5)**

OR

Q3   What are the different investment options available to an individual investor in India? How has this list broadened in the previous decade?   **(12.5)**

Q4   a)   MEGATRON LTD. paid a dividend of Rs. 2.60 during the last year and the growth rate in the dividends is expected to be 8%. The current market price of the stock is Rs. 30.00. The beta of the stock is 1.60 and the return on the market index is 13%. If the risk-free rate of return is 8%, by how much should the price of the stock be raised in percentage terms so that it is at equilibrium?   **(4.5)**
- b)   What is the meaning of an efficient frontier portfolio? How is it created?   **(4)**
- c)   Distinguish between coupon and non-coupon bonds.   **(4)**

OR

Q5   What is the capital asset pricing model (CAPM) of equity valuation? State its assumptions. How does it help in the valuation of equity? Show your calculations with the help of an illustration. What are the limitations of CAPM?   **(12.5)**

Q6   What is fundamental analysis? State its importance in investment decisions. How is it different from technical analysis?   **(12.5)**

OR

Q7   What is efficient market hypothesis (EMH)? What are the different forms of efficiencies as per this postulate? State the reasons for inefficiencies in the market with the help of suitable examples.   **(12.5)**

P.T.O.

Q8   What are money market mutual funds (MMMFs)? Where are these traded? What is the importance of MMMFs in portfolio balancing? **(12.5)**

OR

Q9   Explain the concept of green investing. Does it offer better returns to the investors? Give reasons. What are the reasons for its proliferation?**(12.5)**

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