


Name:	
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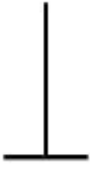
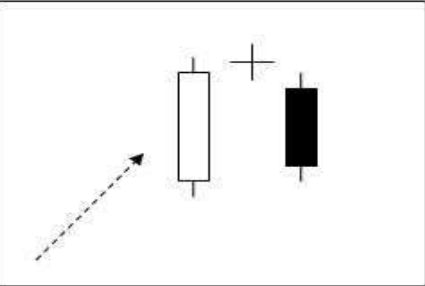
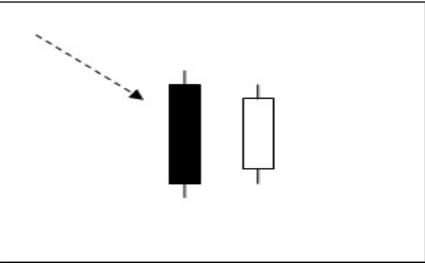
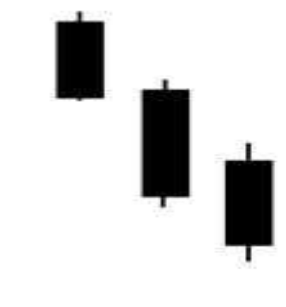
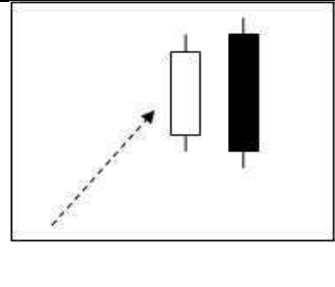
UPES
End Semester Examination, May 2024

Course: Investment Analysis and Portfolio Management **Semester: VI**
Program: INT BBA MBA **Time: 03 hrs.**
Course Code: FINC 7021 **Max. Marks: 100**

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q.1	According to Dow Theory, what do advances and declines indicate in stock prices? A) Market volatility B) Investor sentiment C) Sector performance D) Economic indicators	2	CO1
Q.2	What is the concept of efficiency in the Efficient Market Hypothesis (EMH)? A) Markets are always efficient B) Markets reflect all available information C) Markets have random price movements D) Markets follow predictable patterns	2	CO1
Q.3	What is the Efficient Frontier in portfolio management? A) A line connecting all risky assets B) A curve representing the optimal risk-return combinations C) A boundary indicating maximum return D) A measure of portfolio efficiency	2	CO1
Q.4	What is the primary goal of portfolio revision? A) Maximize short-term gains B) Minimize portfolio risk C) Align the portfolio with investment goals D) Beat market benchmarks	2	CO1
Q.5	How does beta measure an asset's systematic risk? A) By comparing its returns to the market returns B) By assessing its volatility C) By analyzing its industry sector D) By evaluating its liquidity	2	CO1

Q.6	 <p>Give Name of the candle Stick.</p>	2	CO1
Q.7	 <p>Give Name of the candle Stick.</p>	2	CO1
Q.8	 <p>Give Name of the candle Stick.</p>	2	CO1
Q.9	 <p>Give Name of the candle Stick.</p>	2	CO1
Q.10	 <p>Give Name of the candle Stick.</p>	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q.11	<p>Company LMN issued a bond with a face value of \$1,000 and paid an annual coupon of \$50. If the bond matures in 7 years and the yield to maturity (YTM) is 8%, what is the current market price of the bond?</p>	5	CO2
Q.12	<p>Bond DEF has a face value of \$1,000, a coupon rate of 9%, and 15 years to maturity. If the bond is currently trading at \$950, what is the yield to maturity (YTM)?</p>	5	CO2

Q.13	Company XYZ has an expected dividend of \$2 per share and a dividend growth rate of 5%. if a similar kind of stock gives return of 10%, what is the fair value of the stock using the Dividend Discount Model?	5	CO2																
Q.14	What do you understand by the management of portfolio.	5	CO2																
SECTION-C 3Qx10M=30 Marks																			
Q.15	Explain the EIC framework used in fundamental analysis and its significance in evaluating investment opportunities. Provide examples of how each component (Economic, Industry, and Company-specific factors) influences investment decisions, illustrating the interplay between macroeconomic trends, industry dynamics, and company-specific performance.	10	CO3																
Q.16	How does the Capital Market Line (CML) differ from the Security Market Line (SML) in portfolio theory, and what role do they play in determining the optimal risk-return tradeoff for investors? OR Critically assess the limitations of relying solely on the Security Market Line as a tool for evaluating individual securities' expected returns, considering factors such as market efficiency, risk factors, and behavioral biases in investment decision-making.	10	CO3																
Q.17	Compare and contrast the assumptions underlying the Markowitz Portfolio Theory with those of the Capital Asset Pricing Model (CAPM), particularly in terms of risk assessment and portfolio construction.	10	CO3																
SECTION-D 2Qx15M= 30 Marks																			
Q.18	<p>Following information provide regarding the performance of the fund -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>R_p (%)</th> <th>SD.</th> <th>Beta</th> </tr> </thead> <tbody> <tr> <td>Blue Chip</td> <td>25.38</td> <td>4</td> <td>0.23</td> </tr> <tr> <td>Leading Sector</td> <td>25.11</td> <td>9.01</td> <td>0.56</td> </tr> <tr> <td>Contra</td> <td>25.01</td> <td>3.55</td> <td>0.59</td> </tr> </tbody> </table> <p>Risk free rate of return is assumed to be 9% market return 15% . Rank the Fund with the Help of the Sharpe Index and Treynor Index, Jensen Index.</p>		R _p (%)	SD.	Beta	Blue Chip	25.38	4	0.23	Leading Sector	25.11	9.01	0.56	Contra	25.01	3.55	0.59	15	CO4
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Q.19	<p>Stocks L and K have Yield the following return fro the past two years-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Years</th> <th>Return</th> <th>%</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Years	Return	%				15	CO4										
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	L	K
2011	12	14
2012	18	12

- (i) What is Expected return of portfolio made up of 60 per cent of L and 40 per cent of K.
- (ii) Find total Risk of Each Stock.
- (iii) Portfolio Risk when Covariance and coefficient of correlation are -3 and -1 respectively.