

M.B.A. - II (CBCS Pattern) Semester-IV
PCB4EB4 - Security Analysis & Portfolio Management

P. Pages : 2

Time : Three Hours



GUG/S/25/10724

Max. Marks : 70

- Notes :
1. Solve **any five** questions.
 2. All questions carry equal marks.
 3. Use Present Value Factor Table.

1. What is the book value per share, and how does it relate to the current market price? **14**
2. How does the coupon rate affect the bond's valuation relative to market yields? **14**
3. How does the Stochastic Oscillator reflect momentum, and is it nearing reversal zones? **14**
4. What role does investor behavior play in creating mispricing exploitable by fundamental analysis? **14**
5. Write short answers. **any two.** **14**
 - a) Fama's 3-Factor Model
 - b) Random walk Hypothesis
 - c) Industry analysis
 - d) Multistage growth models.
6. The capital structure of H Ltd. is as follows: **14**

14% preference shares of ₹10 each	₹20,00,000
Equity shares of ₹10 each	₹32,00,000
Reserves & surplus	₹16,00,000
10% debentures	₹24,00,000
11% loan from banks/financial institutions	₹28,00,000
	₹1,20,00,000

The average annual profit before payment of tax and interest is ₹ 24,00,000

The income tax is assumed to be @ 40%.

Compute the value of equity shares of the company, if the applicable price-earning ratio is 9.

7. A bond is currently traded at ₹950. Its face value is ₹1,000. Coupon rate is 10%. It is redeemable at par after 5 years from today. However the company has an option of calling. If after 3 years from today at 5% premium. Find yield to call. **14**

8. The rate of return on the security of company X and market portfolio for 10 periods are given below: **14**

Period	1	2	3	4	5	6	7	8	9	10
Return of Security X(%)	20	22	25	21	18	-5	17	19	-7	20
Return of Market Portfolio (%)	22	20	18	16	20	8	-6	5	6	11

- a) What is the beta of security X?
- b) What is the characteristics line for security X?

9. The following is the closing prices for Tata Consultancy form NSE is given below: **14**

Date – Nov, 2024	1	4	5	6	7	8	11
Closing Price	2264.00	2207.00	2197.00	2200.00	2204.50	2189.60	2135.00

Date – Nov, 2024	13	14	15	18	19	20	21	22
Closing Price	2118.00	2187.50	2196.00	2178.40	2153.00	2121.95	2112.00	2097.00

Calculate Relative strength Index on the basis of 14 price changes. Also draw RSI chart.

10. Calculate M^2 Measure, Sortino Measure and Jensen's alpha ratio on the basis of the following portfolio. **14**

Portfolio	A	B	C	D	E
Expected Return (%)	16	14	15	13	17
Beta	1.15	1.25	1.65	1.20	1.75

The expected return on market portfolio and market risk is 13%. The risk free rate of return is 11% and standard deviation is 7.25% downward deviation is 5.5% which portfolio has Performed as the best.
