

Code No: **24BA3T5FA**

II MBA - I Semester - Regular Examinations - DECEMBER 2025

**INVESTMENT ANALYSIS & PORTFOLIO
MANAGEMENT**

Duration: 3 Hours

Max. Marks: 70

- Note: 1. This question paper contains two Parts: Part-A and Part-B.
 2. Part-A contains 5 essay questions with an internal choice from each unit.
 Each Question carries 12 marks.
 3. Part-B contains one Case Study for 10 Marks.
 4. All parts of Question paper must be answered in one place

BL – Blooms Level

CO – Course Outcome

PART - A

			BL	CO	Max. Marks																				
<u>UNIT – I</u>																									
1.	a)	Differentiate Investment and Speculation.	L2	CO1	6 M																				
	b)	Explain the Trading system and settlement procedure in Stock Exchanges.	L2	CO1	6 M																				
OR																									
2.	a)	Explain types of Orders.	L2	CO1	4 M																				
	b)	From the following information of 4 shares for two years, base year and year t determine price weighted index, equal weighted index, value weighted index for the year t.	L3	CO1	8 M																				
		<table border="1" style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="width: 20%;">Name of the share</th> <th style="width: 20%;">Price in base year in Rs.</th> <th style="width: 20%;">Price in year t in Rs.</th> <th style="width: 40%;">No. of outstanding shares in millions</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">ABC</td> <td style="text-align: center;">60</td> <td style="text-align: center;">30</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">DEF</td> <td style="text-align: center;">80</td> <td style="text-align: center;">85</td> <td style="text-align: center;">9</td> </tr> <tr> <td style="text-align: center;">GHI</td> <td style="text-align: center;">40</td> <td style="text-align: center;">20</td> <td style="text-align: center;">11</td> </tr> <tr> <td style="text-align: center;">JKL</td> <td style="text-align: center;">65</td> <td style="text-align: center;">85</td> <td style="text-align: center;">7</td> </tr> </tbody> </table>				Name of the share	Price in base year in Rs.	Price in year t in Rs.	No. of outstanding shares in millions	ABC	60	30	5	DEF	80	85	9	GHI	40	20	11	JKL	65	85	7
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UNIT – II

3.	a)	Describe the concept of Risk. Explain types of Risks.	L2	CO2	6 M
	b)	Explain the procedure for valuation of Bonds.	L2	CO2	6 M

OR

4.	A financial analysts is analyzing two investment alternatives of ABC & Co and XYZ & Co. The estimated rates of return and their chances of occurrence for the next year are given below.		L3	CO2	12 M																	
	<table border="1" style="width: 100%;"><thead><tr><th rowspan="2">Probability of Occurrence</th><th colspan="2">Return on stocks</th></tr><tr><th>ABC & Co.,</th><th>XYZ Co.,</th></tr></thead><tbody><tr><td>0.20</td><td>22%</td><td>5%</td></tr><tr><td>0.60</td><td>14%</td><td>15%</td></tr><tr><td>0.20</td><td>-4%</td><td>25%</td></tr></tbody></table>					Probability of Occurrence	Return on stocks		ABC & Co.,	XYZ Co.,	0.20	22%	5%	0.60	14%	15%	0.20	-4%	25%			
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You are required to																						
i. Determine each alternative expected rate of return, variance, and standard deviation. Is ABC & Co., comparatively risk less?																						
ii. If the financial analyst wishes to invest half in each security, would it reduce risk?																						

UNIT-III

5.	a)	Describe Dow theory.	L2	CO3	6 M
	b)	Explain Efficient Market Theory.	L2	CO3	6 M

OR

6.	a)	Illustrate Elliot Wave Theory.	L3	CO3	6 M
	b)	Explain the importance of Fundamental Analysis in Investment Decisions.	L2	CO3	6 M

UNIT – IV

7.	a)	Discuss about Portfolio Management. Explain how an Optimal Portfolio is selected.	L2	CO4	6 M
	b)	Illustrate Arbitrage Pricing Theory.	L2	CO4	6 M

OR

8.	The policy committee of Wilson Finance recently used reports from various security analyst to develop inputs for the single model output derive from a single index model consisted of the following efficient portfolios.			L3	CO4	12 M																		
	<table border="1" style="margin-left: 40px;"><thead><tr><th>Portfolio</th><th>Expected Return</th><th>Standard deviation</th></tr></thead><tbody><tr><td>A</td><td>8%</td><td>3%</td></tr><tr><td>B</td><td>10%</td><td>6%</td></tr><tr><td>C</td><td>13%</td><td>8%</td></tr><tr><td>D</td><td>17%</td><td>13%</td></tr><tr><td>E</td><td>20%</td><td>18%</td></tr></tbody></table>						Portfolio	Expected Return	Standard deviation	A	8%	3%	B	10%	6%	C	13%	8%	D	17%	13%	E	20%	18%
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Determine																								
i. If the prevailing risk free rate is 6%, which portfolio is best?																								
ii. Assume that the policy committee would like to earn an expected of 10% with a std., dev., of 4%, is this possible?																								
iii. If std., dev., of 12% acceptable. What would be the expected return and how would Wilson finance achieve it.																								

UNIT – V

9.	Discuss the following measures of Portfolio Performance; Treynor, Sharpe, and Jensen measure with suitable example.	L2	CO5	12 M
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OR

10.	<p>XYZ and ABC are the two Mutual funds. XYZ has a sample mean of success 0.13 and fund ABC has a sample mean of success 0.18, with the riskier fund ABC having double the Beta at 2.0 as fund XYZ. The respective std., deviations are 15% and 19%. The mean return for the market index is 0.12 with std., deviation of 8%. The risk free rate is 8%.</p> <ol style="list-style-type: none"> Compute Jensen's index for each stock of the fund. Compute Treynor's index for each stock of the fund. Compute Sharpe's index for each stock and the Market. 	L3	CO5	12 M
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PART – B

	CASE STUDY	L3	CO2,3	10 M																						
11.	<p>The return on individual security R_i and market return R_m is given below.</p> <table border="1" data-bbox="402 1312 1307 1438" style="margin-left: auto; margin-right: auto;"> <tr> <td>R_i</td> <td>14</td> <td>18</td> <td>6</td> <td>12</td> <td>13</td> <td>14</td> <td>11</td> <td>6</td> <td>9</td> <td>8</td> </tr> <tr> <td>R_m</td> <td>16</td> <td>20</td> <td>9</td> <td>8</td> <td>10</td> <td>9</td> <td>11</td> <td>18</td> <td>17</td> <td>15</td> </tr> </table> <p>Compute Alpha and Beta from the above and comment.</p>	R_i	14	18	6	12	13	14	11	6	9	8	R_m	16	20	9	8	10	9	11	18	17	15			
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