

MBA/ D-21: 27072
FM-306 : Security Analysis

Time: 3 Hours]

[Max. Marks: 70

Note: Attempt Six questions in all. Question no. 1 is compulsory and each part of this carries 4 marks. Remaining questions are of 10 marks each.

- Q. 1 (a) Why is asset allocation very important in investing?
(b) Explain the major characteristics of financial derivatives.
(c) Highlight briefly the procedure of securities trading and settlement.
(d) What are the advantages of 'listing of securities' to the investors?
(e) "Bond prices vary inversely with changes in market interest rates"
Explain.
- Q. 2 What do you understand by investment? Explain various investment avenues available to investors.
- Q. 3 Explain the importance of risk and return in security analysis. How would you estimate risk and return for a common stock?
- Q. 4 "Primary market and secondary market are complimentary to each other." Substantiate your views.
- Q. 5 What is an efficient stock market? Discuss some of the lessons that follow from efficient market hypothesis.
- Q. 6 Explain the importance of earnings, dividend payout and required rate of return in estimating the theoretical value of the stock.
- Q. 7 Explain the process of technical analysis. Also explain how technical analysis is useful to investors.
- Q. 8 (a) Explain the difference between active and passive equity portfolio management strategies.
(b) "Stock market index are the barometer of the stock market". Explain.
- Q. 9 Write a detailed note on bond portfolio management strategies.