



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

SIXTH SEMESTER – APRIL 2015

BC 6602 – PORTFOLIO MANAGEMENT

Date : 23/04/2015
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

SECTION-A

ANSWER ALL QUESTIONS:

(10x2=20 marks)

1. Define the term portfolio Management.
2. What is meant by Investment?
3. What is Revenue return?
4. Define the term Risk.
5. What is Beta analysis?
6. What is meant by Securities market line?
7. What is Bond?
8. Define the term “warrants”.
9. What is the need for portfolio analysis?
10. An investor with risk aversion co-efficient $A=3$ desires utility level (u) of 5% .If standard deviation of returns for a portfolio is 10%. What is the required rate of return?

SECTION-B

ANSWER ANY FOUR QUESTIONS:

(4x10=40 marks)

11. Explain any two basic principles of effective portfolio management.
12. “Mutual funds offer best form of Investment “-Discuss.
13. Why is the non-diversifiable risk only relevant risk? How is such a risk measured?
14. Write a note on investment timing with examples.
15. Explain Sharpe’s technique in portfolio evaluation
16. Explain and illustrate the yield to Maturity (YTM) on a bond.
17. The per share dividend of Premier Instruments Ltd (PIL) remains constant indefinitely at Rs.10. Assuming a required rate of return of 16%. Compute the value of PIL’s shares.

SECTION-C

ANSWER ANY TWO QUESTIONS:

(2x20=40 marks)

18. “Higher the return, higher will be the risk” in this context discuss the various risks associated with portfolio planning.
19. State assumptions made in “Capital Asset pricing model” What are the uses and limitations of this model?
20. Explain the industry analysis and company analysis for taking investment decisions.
21. Elucidate the steps involved in portfolio management process.

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