LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – **ECONOMICS**

SIXTH SEMESTER – **APRIL 2015**

EC 6600 - PORTFOLIO MANAGEMENT

Date : 15/04/2015 Dept. No. Max. : 100 Marks

Time : 09:00-12:00

PART – A

Answer any **FIVE** questions in about 75 words each: (5 x 4 = 20 marks)

1. What do you mean by investment?
2. State the relationship between risk and return.
3. What do you mean by Portfolio Management?
4. Write briefly on Cootner's Random walk Hypothesis.
5. Illustrate the concept of SWAP.
6. What do you mean by derivatives?
7. State the factors influencing option price.

PART – B

Answer any **FOUR** questions in about 250 words each: (4 x 10 = 40 marks)

8. Briefly explain the type of managed funds.
9. Write a note on types of risk.
10. Briefly explain the functions of portfolio management.
11. What are the various methods of measuring risk?
12. Define forward contract and explain with illustrations.
13. Write about Binomial Option pricing model.
14. What are the different forms of market efficiency identified by Eugene Fama?

PART – C

Answer any **TWO** questions in about 900 words each: (2 x 20 = 40 marks)

15. Discuss Sharpe's Single Index market model.
16. Arbitrage pricing theory was developed as a generalization of CAPM – Discuss.
17. Discuss in detail the various methods of measuring return on investment.
18. Explain in detail Black Schole's option pricing model.

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