LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

SIXTH SEMESTER – **APRIL 2022**

UEC 6502 – PORTFOLIO MANAGEMENT

Date: 17-06-2022 Dept. No. Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

PART-A

Answer any FIVE Questions in about 75 words each: (5 × 4 = 20 Marks)

1. Distinguish between risk and return in portfolio management.
2. Differentiate Arbitrage Pricing Theory (APT) from Capital Asset Pricing Model (CAPM).
3. List out the three levels of efficient market by Fama.
4. State the different types of derivative assets.
5. What is SWAP valuation?
6. What do you mean by money market hedging?
7. What are call and put options? Give examples.

PART-B

Answer any FOUR Questions in about 250 words each: (4 × 10 = 40 Marks)

8. Enumerate the Markowitz theory of portfolio diversification.
9. Examine the functions of portfolio management.
10. Evaluate the Capital Asset Pricing Model (CAPM).
11. Elucidate the main aspects of Cootners' price value interaction model.
12. Briefly explain the Binomial option pricing model.
13. Explain the concept of interest rate swaps with relevant example and diagrams.
14. Bring out the methods of managing foreign exchange risk.

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PART-C

Answer any TWO Questions in about 900 words each: (2 × 20 = 40 Marks)

15. Describe about Sharpe's single index Model.
16. Empirically validate the Arbitrage pricing theory.
17. Discuss in detail about Samuelson's continuous equilibrium model.
18. Analyse Black Scholes option pricing model.

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