LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

SIXTH SEMESTER – **NOVEMBER 2016**

EC 6600 – PORTFOLIO MANAGEMENT

Date: 14-11-2016 Dept. No. Max. : 100 Marks

Time: 09:00-12:00

PART –A

Answer any **FIVE** questions in about 75 words each: **(5x4=20 marks)**

1. Who is an ‘Investor’?
2. Write briefly on different forms of investment.
3. Define ‘Portfolio Management’.
4. How is risk measured?
5. How does Arbitrage Pricing Theory differ from the Capital Asset Pricing Model?
6. What is ‘SWAP’?
7. Mention the factors influencing ‘Option Price’.

PART – B

Answer any **FOUR** questions in about 250 words each : **(4x10= 40 marks)**

8. Write briefly on the trade – off between risk and return.
9. Write briefly on the various types of managed funds.
10. Explain the functions of Portfolio Management.
11. Explain William Sharpe’s Single Index Market Model.
12. Compare options with Forwards and Futures.
13. Write briefly on call options and put options.
14. Explain Eugiene Fama’s different forms of market efficiency.

PART – C

Answer any **TWO** questions in about 900 words each: **(2x20 =40 marks)**

15. Discuss Markowitz’s theory of Portfolio diversification.
16. Explain in detail Binomial Option Pricing Model.
17. Discuss in detail the Capital Asset Pricing Model.
18. Explain in detail the various methods of measuring return on investment.

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