LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034 M.A. DEGREE EXAMINATION – ECONOMICS FOURTH SEMESTER – NOVEMBER 2022 PEC 4501 – PORTFOLIO THEORY AND INVESTMENT ANALYSIS		
	te: 02-12-2022 Dept. No.	Max. : 100 Marks
	PART – A	
	Answer any FIVE questions in 75 words each.	(5x 4 = 20 Marks)
1	What is Financial Market? State its component.	
2	Write a short note on Swap operation in the derivatives market.	
3	What is meant by hedging?	
4	State the significance of diversification in the management of portfolios.	
5	What is meant by High frequency trading?	
6	Distinguish between exchange trading and OTC trading.	
7	What is behavioural finance?	
PART – B		
	er any FOUR questions in 300 words each.	(4 x 10 = 40 Marks)
8	Summarize the main legislations governing the Capital Market in India.	
9	Bring out the significance of put-call parity.	
10	Examine the alternative avenues for investment.	
11	Briefly explain the Arbitrate Pricing Theory with its merits and limitations.	
12	Describe the emotional and social factors affecting investment decisions.	
13	Briefly explain the Binomial option pricing model.	
14	Analyze the significance of mutual fund schemes and bring out its classifica	ition.
PART - C		
	any TWO questions in 1200 words each.	(2 x 20 = 40 Marks)
15	Enumerate the regulation of financial markets in India.	
16	Elaborate the Black-Scholes option pricing model.	
17	Elucidate the Capital Asset Pricing Model.	
18	Discuss in detail the evolution of Algorithmic trading and its benefits.	
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