8. (a) Explain the Markowitz Model of Portfolio Analysis? (7)

(b) Ms Pratibha has two securities in her portfolio: SA and SB. She has invested INR 30,000 in SA and INR 20,000 in SB. Calculate portfolio return from the following information:

S.No.	Return of SA	Probability of SA	S.No.	Return of SB	Probability of SB
1	20%	0.50	1	30%	0.40
2	25%	0.25	2	-5%	0.25
3	-10%	0.15	3	20%	0.20
4	-5%	0.10	4	15%	0.15

(8)

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 3530 **J**

Unique Paper Code : 6203460014

Name of the Paper : Security Analysis & Portfolio Management

Name of the Course : **B.Voc (Banking,Financial Services and Insurance)**

Semester : VI

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll. No. on the top immediately on receipt of this question paper.

2. The paper has total **8** questions.

3. Attempt **any six** questions.

4. Each question is of **15 marks.**

1. (a) Explain the concept of risk-return trade off with appropriate examples? (7)

   (b) There are two cases (i) buying shares for retirement purpose and (ii) intraday trading of shares. Classify it as investment or speculation and why. (8)

2. (a) Differentiate between Direct & Indirect Investing with suitable examples. (7)

   (b) Selecting a right security is a complex task. Comment. Explain the investment decision making process. (8)

3. (a) Explain the concept and types of risk? (7)

   (b) Calculate average return on the basis of arithmetic mean for the following information of a share held by Mr. Sumit for a period of five year. Following are the price of the share and dividend paid during the year.

Year	Price	Dividend
31 Dec 2019	120	Nil
31 Dec 2020	135	8
31 Dec 2021	148	9
31 Dec 2022	141	3
31 Dec 2023	153	7
31 Dec 2024	165	9

(8)

4. (a) Explain the impact of taxes and inflation on investment? (7)

   (b) Mr. Ashish buys a security generating a return of 18.40%. Is this what 8 he actually receiving, if not, calculate actual return, assuming that there are two additional information?

   (i) he falls under 30% tax bracket and this security is subject to income tax.

   (ii) Inflation is expected to be 6%? (8)

5. (a) Explain the concept and different approaches to security analysis? (7)

   (b) Explain the EIC framework of fundamental analysis. (8)

6. (a) How does Technical analysis is different from Fundamental analysis? (7)

   (b) What are the implications of Efficient Market Hypothesis (EMH)? (8)

7. (a) Explain the concept and types of bonds? (7)

   (b) Explain the different valuation methods of Equity Share? (8)