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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR  
(AUTONOMOUS)  
MBA II Year I Semester (R16) Regular Examinations November 2017  
Security Analysis and Portfolio Management**

Time: 3 hours

Max. Marks: 60

**SECTION – A**

(Answer all Five Units 5 x 10 = 50 Marks)

1 Define Investment. Explain the process of investment. 10M

**OR**

2 Differentiate between investment, speculation and gambling. 10M

**UNIT-II**

3 What is mean by company analysis? How do you evaluate the performance of the company? 10M

**OR**

4 Elaborate the efficient market theory. 10M

**UNIT-III**

5 “Bond prices vary inversely with changes in market interest rates”. Explain with examples. 10M

**OR**

6 Write short notes on: (a) Yield to Maturity (b) Yield to Call (c) Zero Coupon bond (d) Default risk of a bond. 10M

**UNIT-IV**

7 Bring out various approaches in valuation of equity shares. 10M

**OR**

8 Discuss the role of P/E ratio in making the sell and buy decision. 10M

**UNIT-V**

9 Explain the Markowitz theory of portfolio. 10M

**OR**

10 Elucidate the techniques of portfolio revision. 10M

**SECTION – B**

(Compulsory Question)

**1 x 10 = 10 Marks**

11 A bond of Rs.1000 was issued five years ago at a coupon rate of 6%. The bond had a maturity period of 10 years and as of today, therefore, five more years are left for final repayment at par. The market interest rate currently is 12 %. Determine the value of the bond.

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