M.Com. 3rd Semester Examination, 2023

COMMERCE

(*Security Analysis and Portfolio Management*)

PAPER — COM-301 (Old)

Full Marks : 50

Time : 2 hours

The figures in the right hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

COM-301.1

1. Answer any *two* questions from the follo-
   wing :　　　　　　　　　　　　　　　2 × 2

   (*a*) Give the formula of Rate of Change in Technical Analysis.

   (*b*) How can we measure the exponent in the Exponential Moving Average ?

(c) Give the formula of holding period rate of return.

(d) Name any two leading indicators under the barometric approach of the economy analysis under fundamental security analysis.

2. Answer any *two* questions from the following :
4×2

(a) Mention the non-financial factors of the company-level analysis.

(b) Distinguish between simple bar chart and candlestick chart.

(c) Draw a Point and Figure chart from the following information related to X Co. Ltd.

Day	Closing price (in Rs.)
1	29
2	28
3	30
4	29
5	25
6	28

Assume, box size is Rs. 1 and reversal criterion is Rs. 2.

(d) Write a short note on yield-to-maturity used to calculate return from bond instruments.

3. Answer any *one* question from the following :

8×1

(a) Which are the different types of financial ratios that are used in the company-level analysis ? Discuss.

(b) Discuss the various components of systematic risk in brief.

COM-301.2

4. Answer any *two* of the following : 2×2

   (a) What is Treynor ratio ?

   (b) Write down the formulae for portfolio risk in the case of three-security portfolio.

   (c) What is mutual fund ?

   (d) Write any two assumptions of CAPM.

5. Answer any *two* of the following : 4×2

   (a) What is NAV and how is it calculated ?

   (b) What is efficient frontier ?

   (c) Mention any four advantages of investment in a mutual fund.

   (d) Explain the meaning and importance of diversification.

6. Answer any *one* of the following :   8 × 1

(*a*) Write a short note on the risk-adjusted measures for evaluating mutual funds.

(*b*) (*i*) How can the security market line help in identifying correctly and incorrectly priced securities ?

(*ii*) There is a two-security portfolio that has securities X and Z. The returns are 11.5% and 14.5% respectively, whereas the standard deviations are 21% and 12% respectively. If the total portfolio amount is Rs. 1,50,000 of which one-third is in X and the remaining in Z, you are required to compute portfolio risk and return, considering that the correlation coefficient is 0.50.

[*Internal Assessment* — 10 Marks]