



Laxmi Singh Charitable Trust's (Regd.)

# THAKUR INSTITUTE OF MANAGEMENT STUDIES & RESEARCH

(Approved by AICTE, Govt. of Maharashtra & Affiliated to University of Mumbai)

• ISO 9001 : 2015 Certified

• Accredited with A+ Grade by National Assessment and Accreditation Council (NAAC)

C - Block, Thakur Educational Campus,  
Shyamnarayan Thakur Marg, Thakur Village,  
Kandivali (East), Mumbai - 400 101.

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## Mapping of Course Outcome with Question Paper

Programme	MMS
Semester	III
Batch	2019-21
Academic Year	2020-21
Course	Security Analysis and Portfolio Management
Specialization	Financial Management
Name of Faculty	Prof. Navin Bhatt

### Course Outcome

CO 1	Understanding the basics of securities
CO 2	Understand the risk return analysis
CO 3	Ability to calculate prices using EMH
CO 4	Ability to carry on company analysis and valuation of equity shares
CO 5	Understand the fixed income securities

Question No.	CO 1	CO 2	CO 3	CO 4	CO 5
Q. 1 – A	*	*	*		*
Q. 1 – B	*	*			*
Q. 1 – C	*	*			*
Q. 2 – A	*	*			*
Q. 2 – B	*	*	*		*
Q. 2 – C	*	*			*





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Q. 3 – A	*	*		*	*
Q. 3 – B	*	*		*	*
Q. 3 – C	*	*			*
Q. 4 – A	*	*	*	*	
Q. 4 – B	*	*	*	*	*
Q. 4 – C	*	*	*		

*A. S. H.*

Name of Faculty and Sign



## TIMSR

Program : MMS(Finance)

Semester : III

Seat No: \_\_\_\_\_

Duration : 2 hours

Month &amp; Year : November 2020

Course: SAPM

Marks: 40

**Instructions:-**

- Question No. 1 is compulsory
- Attempt any **Two** from the remaining **Three** Questions
- Figures to the right indicate marks in full.

- 1 a Mahesh has created one portfolio of four securities A, B, C and D, the details of which are as follows: 10

Securities	A	B	C	D
Investment (Rs)	1,25,000	1,50,000	80,000	1,45,000
Beta ( $\beta$ )	0.60	1.50	0.90	1.30

- i) Presently interest rate of 8% is prevailing for RBI bonds in the market and return from the NIFTY 50 is 14%, what is the expected return on portfolio? Also calculate portfolio beta.
- b) If Mahesh wants to replace Security C with the investment in RBI Bonds, what is the corresponding change in Portfolio Beta and expected return?
- b A bond of Rs. 5000 bearing coupon rate of 10% and redeemable in 10 years at Rs. 5300. Find the YTM of the bond. 5
- c Discuss, with diagram, Risk Return Trade Off. 5
- 2 Answer **Any Two** from the following 5 x 2
- a How is technical analysis different from fundamental analysis in investment management?
- b Sanjay has bought the Excellence Company stock that has paid Rs. 3.00 as dividend per share during the last financial year. He anticipates two situations - either a 5% decline in the dividend or 5% growth in the dividend in the next year. His anticipated return is 20%. Fix the price for both the situation.
- c X Ltd has total debt of Rs. 24 lakhs and total assets of Rs. 28 lakhs. Current liabilities is Rs. 8 lakhs. Calculate debt equity ratio.
- 3 Answer **Any Two** from the following 5 x 2
- a From the following calculate a) Sharpe ratio b) Treynor ratio c) Jensen ratio

Year	Mutual Fund Return	Mutual Fund Beta	Return on Market Index	Return on Govt. Securities	Standard Deviation
1	6.85	1.32	14.31	4.35	0.8
2	1.20	1.27	18.95	3.85	0.9



3	21.00	1.25	14.50	6.15	1.2
4	10.18	1.10	9.25	7.50	1.4
5	17.65	0.95	20.00	6.00	1.5

- b Explain how the effective frontier is determined using Markowitz approach  
c Mr. A purchased 100 shares of XYZ Ltd. 4 years ago at Rs. 500 each. The rate of brokerage was 1%. The company paid the following dividend.

	Year1	Year 2	Year 3	Year 4
Dividend per share	Rs.2	Rs.2	Rs. 2.50	Rs.3

The current price of the share is Rs. 600. What is the profit earned on his investment if sell the shares now?

4 Answer **Any Two** from the following

5 x 2

- a An investor has to choose from 2 securities. The following are their rates of return and probabilities. Which is better security Q or P?

Security Q		Security P	
Return %	Probability	Return %	Probability
20	.1	13	.1
16	.4	16	.2
10	.3	22	.3
3	.2	25	.4

- b Distinguish between Security Market Line and Capital Market Line  
c Write a note on Arbitrage Pricing Theory.

