Code No: MB1335/R13

MBA III Semester Regular/ Supplementary Examinations, November-2016

INVESTMENT MANAGEMENT

Time: 3 Hours **Max. Marks: 60**

Answer Any **FIVE** *Questions*
All Questions Carry Equal Marks
Question No. 8 is Compulsory

1.	a	Discuss Systematic risk and un-systematic risk in portfolio management.	6 M
	b	Describe the relationship between fundamental analysis and technical analysis.	6 M
2.	a	Explain detailed procedure of valuation of debt securities.	6 M
	b	ABC ltd. paid its first cash dividend Rs. 2.50 and growth rate is 20% for next 3 years and thereafter it will grow at 10%. Return is 15% find out value of share.	6 M
3.	a.	Explain the SEBI regulations for primary market operations.	6 M
	b.	Discuss the objectives of Investment decisions?	6M
4.	a	Explain the Arbitrage Pricing Theory (APT) with assumptions.	6 M
	b	Explain in the detailed procedure of National Stock Exchange. Discuss the Markowitz and Shorpe's portfolio construction theories	6 M
5.	a	What is meant by Portfolio Revision? And explain the criteria for revision of portfolio.	6 M
	b	What is Mutual Fund? And explain different types of mutual funds schemes.	6 M
6.	a	What is Bond? And explain valuation of deep discount bonds.	6 M
	b	Discuss about the Jensen's and Sharpe's performance index models.	6 M
7.		Discuss the Capital Asset Pricing Model (CAPM) and its application in portfolio selection.	12M

8. 1. **CASE STUDY**: 12M

The following parameters are available for the five mutual funds.

Fund	***P***	***Q***	***R***	***S***	***M***
Expected return %	15	18	17	16	20
Beta	0.5	0.8	0.7	0.6	1.0

a) Calculate Treynor's performance index and rank the funds on the assumption that risk free rate (M) is 8% and alternatively that T-5%.

b) What should be the risk free rate (M) such that funds P & Q will have the same Treynor's performance index?

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