ST. JOSEPH'S EVENING COLLEGE (AUTONOMOUS)

VI SEMESTER BBA EXAMINATIONS - APRIL 2019

PORTFOLIO MANAGEMENT

Duration: 2.5 Hours **Max. Marks: 70**

SECTION – A

I) Answer any TEN of the following questions. **(10x3=30)**

1. What does beta and alpha mean?
2. Give the meaning of Investment.
3. Define Domestic market.
4. List the formula to compute the expected rate of return.
5. What is the use of Sharpe ratio?
6. Mention the Beta Value of the market.
7. Expand ADRs, GDRs and FCCB's.
8. Does market portfolio include risk free asset?
9. Which investments have the best returns?
10. Why do companies issue bonds in foreign currency?
11. How risk is calculated in a stock?
12. What is the slope of security market line?

SECTION – B

II) Answer any FOUR of the following questions. **(4x5=20)**

13. Briefly discuss the benefits of investing in global mutual funds.
14. Differentiate between fundamental and technical analysis.
15. Briefly explain the investment avenues.
16. What is the purpose of GDR and ADR?
17. Describe the principles of Dow Theory.
18. What are the risks involved while investing in the stock market?

SECTION – C

III) Answer any TWO of the following questions. **(2x10=20)**

19. What is securities and how securities are classified in trading?
20. Explain capital pricing asset model importance, formula with example.
21. Discuss general idea behind Arbitrage pricing theory and how it works.

22. i) How to measure your portfolio performance with Treynor Model? (5m)
ii) Solve the problem given below. (5m)
The 10-year annual return for the S&P 500 (market portfolio) is 10 per cent, while the average annual return on Treasury bills (the risk-free rate) is 5 per cent. Then assume you are evaluating three distinct portfolio managers with the following 10-year results:

Manager	Average Annual Return	Beta
A	10	0.90
B	14	1.03
C	15	1.20

Compute the Treynor value and advice portfolio manager which is performing better.