

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA INTEGRATED - SEMESTER - VII EXAMINATION - WINTER 2025****Subject Code: 2577121****Date: 17-11-2025****Subject Name: Security Analysis and Portfolio Management****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

- Q.1(a)** Explain the meaning and significance of Security Analysis. **07**
- Q.1(b)** What is risk? What are the various types of risks involved in investment decision? **07**

- Q.2(a)** What is the meaning of Investment? "A potential investor has an array of investment avenues." Discuss the statement with suitable examples. **07**

- Q.2(b)** Calculate the Expected Return & Standard Deviation of returns from the following data. **07**

State of Economy	Probability	Rate of Return
Boom	0.60	45%
Normal	0.20	16%
Recession	0.20	-20%

OR

- Q.2(b)** What are the various securities available for investors in the financial market? **07**

- Q.3(a)** Calculate the return and risk of portfolio from following details. **07**

Details	Security-X	Security-Y
Expected Return	11%	20%
Standard Deviation	9%	18%
Coefficient of Correlation	0.15	

- i. 50% funds are in Security-X and 50% funds are in security-Y.
- ii. 75% funds are in Security-X and 25% funds are in security-Y.

- Q.3(b)** Discuss the Efficient Market Theory and Market Hypothesis. **07**

OR

- Q.3(a)** What are the principles of bond duration? Explain in detail **07**

- Q.3(b)** Calculate Portfolio Standard Deviation. **07**

Particulars	Asset-A	Asset-B
Expected Return	10%	20%
Standard Deviation	5%	20%
Amount Invested	Rs. 20,000	Rs. 30,000
Coefficient of Correlation	0.05	

Q.4(a) What is Bond? Explain its properties in detail.

07

Q.4(b)

Year	Return on Company (%)	Return on Market (%)
1	-13	-3
2	5	2
3	15	8
4	27	12
5	10	7

07

- What is beta of the company?
- Establish characteristics line for the company.

OR

Q.4(a)

Year	Return-Unitech Ltd.	Return-Sensex
1	37%	15%
2	9%	13%
3	-11%	14%
4	8%	-9%
5	11%	12%
6	4%	9%

07

- Find coefficient of correlation.
- Calculate Standard Deviation of Unitech Ltd. and Sensex.

Q.4(b) Compare the concepts of Investment, Speculation and Gambling.

07

Q.5(a) The risk free return is 10%. Rank the following portfolios according to Sharpe & Treynor measures.

07

Portfolio	Return (%)	Beta	S.D. (%)
P	15	0.90	20
Q	17	1.10	24
R	19	1.20	27
Sensex	16	1	20

Q.5(b) What is Technical analysis? Explain main tools used for the purpose.

07

OR

Q.5(a) The risk free rate is 0.075. From the following information calculate Jensen's Alpha.

07

Portfolio	Return	Beta	S.D.
P	0.16	1	0.05
Q	0.21	1.5	0.10
R	0.11	0.6	0.03
S	0.16	1.1	0.06
Market	0.14	1	0.04

Q.5(b) Explain the Arbitrage Pricing Theory in detail.

07
