Roll No. ....

Question Booklet Number

O. M. R. Serial No.

B. Com. (Honors) (Sixth Semester)

EXAMINATION, July, 2022

(Group-A : Accounting & Finance Services)

SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Paper Code					
BCOMH	6	0	0	6	AFS

Questions Booklet Series
C

Time : 1:30 Hours]   [*Maximum Marks : 100*

Instructions to the Examinee :

1. Do not open the booklet unless you are asked to do so.

2. The booklet contains 100 questions. Examinee is required to answer any 75 questions in the OMR Answer-Sheet provided and not in the question booklet. If more than 75 questions are attempted by student, then the first attempted 75 questions will be considered for evaluation. All questions carry equal marks.

3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.

परीक्षार्थियों के लिए निर्देश :

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।

2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को किन्हीं 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। यदि छात्र द्वारा 75 से अधिक प्रश्नों को हल किया जाता है तो प्रारम्भिक हल किये हुए 75 उत्तरों को ही मूल्यांकन हेतु सम्मिलित किया जाएगा। सभी प्रश्नों के अंक समान हैं।

3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, तो उसे तुरन्त बदल लें।

(Remaining instructions on the last page)

(शेष निर्देश अन्तिम पृष्ठ पर)

(Only for Rough Work)

1. Which leverage shows the relationship between the revenue in the account of sales and the taxable income ?
   (A) Financial
   (B) Operating
   (C) Combined
   (D) None of the above

2. The stage of start up of an industry :
   (A) Pioneering
   (B) Rapid growth
   (C) Maturity
   (D) Decline

3. The stage when poor performers start winding up their business :
   (A) Pioneering
   (B) Rapid growth
   (C) Maturity
   (D) Decline

4. MACD stands for ____________.
   (A) Managing Asset Classes for Dividend
   (B) Multiple Asset Class Deposit
   (C) Moving Average Convergence Divergence
   (D) Main Asset Class Deposit

5. The concept 'never putting all your eggs in one basket' is explained in __________.
   (A) Markowitz model
   (B) Sharp single index model
   (C) Multi-index model
   (D) APT

6. Who introduced mean variance analysis in portfolio theory ?
   (A) William Sharp
   (B) Harry Markowitz
   (C) F. Amling
   (D) Kritzman

7. Unsystematic risk may arise due to the following reasons :
   (A) Change in interest rate
   (B) Increase in population
   (C) Employee strike in the company
   (D) Exchange rate fluctuations

8. ______________ is a hedging method against the risk associated with changes in interest rates.
   (A) Macaulay's duration
   (B) Bond convexity
   (C) Bond immunization
   (D) Effective duration

9. Which of the following relates to industry analysis ?

(A) Infrastructure facilities

(B) Competitive forces

(C) Interest rate

(D) Market share

10. Which is the most popular multiplier for valuing shares ?

(A) EPS/ Stock prices

(B) P/E ratio

(C) Constant growth model

(D) One year holding model

11. The fundamental analysis is a method of finding out :

(A) Ratio

(B) Value of shares

(C) Tips

(D) Future price of a security

12. Which analysis provides a simplified picture of price behaviour of a shares ?

(A) Fundamental

(B) Technical

(C) Financial

(D) None of the above

13. Modern portfolio theory __________ the relationship between risk and return.

(A) maximizes

(B) minimizes

(C) quantifies

(D) does not assume

14. Arbitrate pricing theory is an _________ model.

(A) asset pricing

(B) risk evaluation

(C) bond pricing

(D) None of the above

15. CAMP stands for :

(A) Capital Asset Pricing Model

(B) Capital Assessment Pricing Model

(C) Capital Asset Placement Model

(D) None of the above

16. An asset risk premium is given by :

(A) the assets standard deviation

(B) the assets expected returns

(C) expected return per unit of standard deviation

(D) the excess of the assets expected return over the riskless rates

17. Which of the following is an example of a depreciable asset ?
(A) Land
(B) Cash
(C) Account receivable
(D) Equipment

18. A price weighted index is an arithmetic mean of :
(A) future prices
(B) current prices
(C) quarter prices
(D) None of the above

19. A firm that fails to pay dividends on its preferred stock is said to be _________.
(A) insolvent
(B) in arrears
(C) in sufferable
(D) delinquent

20. ___________ is not a money market instrument.
(A) Certificates of deposit
(B) A treasury bill
(C) A treasury bond
(D) Commercial paper

21. A bond that has no collateral is called ____________.
(A) collable bond
(B) a debenture
(C) a junk bond
(D) a mortgage

22. The process of addition of more assets in an existing portfolio is called _________.
(A) portfolio revision
(B) portfolio addition
(C) portfolio exchanging
(D) None of the above

23. __________ is the amount left over after individual consumption.
(A) Investment
(B) Savings
(C) Surplus
(D) Money

24. _________ include "expensive stocks" that offer big rewards but have big risk.
(A) The patient portfolio
(B) Conservative portfolio
(C) Aggressive portfolio
(D) Efficient portfolio

25. Which pricing model provides no guidance on the determination of the risk premium factor ?
(A) The Multifactor APT
(B) The CAPM
(C) Both CAPM and Multifactor APT
(D) Neither CAPM nor Multifactor APT

26. _________ is an example for oscillators.

(A) ROC

(B) RSI

(C) MACD

(D) All of the above

27. The APT differs from CAPM because the APT :

(A) Places more emphasis on market risk

(B) Recognizes multiple systematic risk factors

(C) Recognizes multiple unsystematic risk factors

(D) Minimizes the importance of diversification

28. ______________ focus more on past price movement of a firm's stock than on the underlying determinants of future profitability.

(A) Credit Analysis

(B) Fundamental Analysis

(C) Systems Analysis

(D) Technical Analysis

29. RAPM stands for ____________.

(A) Risk Adjustment Performance Matrix

(B) Risk Adjusted Performance Measure

(C) Risk Return Analysis of Portfolio Management

(D) Risk Adjusted Portfolio Measure

30. Reward to Variability Ratio is ________.

(A) Traynor Ratio

(B) Sharp Ratio

(C) Jenson Ratio

(D) Book Market Ratio

31. While bond prices fluctuate :

(A) yields are constant.

(B) coupon are constant.

(C) the spread between yields is constant.

(D) short-term bond prices fluctuate even more.

32. An investor committed money for very short period expect ___________.

(A) Return from price fluctuation

(B) Dividend

(C) Benefit from both price variation and dividend

(D) None of the above

33. Investment in precious metals are included in __________ class.

(A) Liquid assets

(B) Financial assets

(C) Real assets

(D) Monetary assets

34. __________ is the process of combining together various investment assets to obtain optimum returns with minimum risk.

(A) Portfolio construction

(B) Portfolio analysis

(C) Portfolio evaluation

(D) Portfolio revision

35. Modern portfolio theory is a contribution by __________.

(A) William Sharp

(B) Benjamin Graham

(C) Stephen Rose

(D) Harry Markowitz

36. A higher standard deviation is an indicator of __________.

(A) Greater risk and higher potential returns

(B) Moderate risk and higher potential returns

(C) Lower risk and higher potential returns

(D) Greater risk and lower potential returns

37. Value of Beta above 1 implies _______.

(A) Higher risk than the market average

(B) Less risk than market average

(C) Less risk than risk free investment

(D) None of the above

38. CML stands for :

(A) Convergence Market Line

(B) Critical Market Line

(C) Critical Maturity Line

(D) Capital Market Line

39. __________ is also called characteristic lines.

(A) CML

(B) SML

(C) Efficient Frontier

(D) CAL

40. Which of the following is a defensive shares ?

(A) Beta > 1

(B) Beta < 1

(C) Beta = 1

(D) Beta = 0

41. NSE was established in ______________.

(A) 1875

(B) 1785

(C) 1990

(D) 1992

42. ____________ is a person who believes in lower expected return at reduced risk.

(A) Hedgers

(B) Arbitrageurs

(C) Speculators

(D) Spreaders

43. Who is the author of the book "Security Analysis and The Intelligent Investor" ?

(A) John Maynard Keynes

(B) Kritzman

(C) Benjamin Graham

(D) Harry Markowitz

44. Total risk is associated with ___________.

(A) Standard deviation

(B) Beta

(C) Alpha

(D) Correlation

45. Which of the following is not related with a bond ?

(A) Dividend

(B) Residential maturity

(C) ESOP

(D) Spot interest rate

46. Bond price-yield relationship is referred to as _____________.

(A) Concave

(B) Convex

(C) Linear

(D) Rectangular hyperbola

47. ___________ is a measure of interest rate sensitivity of a bond.

(A) YTM

(B) HTC

(C) Duration

(D) Current yield

48. The theory of bond immunisation was introduced by ______________.

(A) Redington

(B) F. Amling

(C) Burton G. Malkiel

(D) Kritzman

49. A statistical measure of the degree to which two variables move together ?

(A) Coefficient of variation

(B) Variance

(C) Covariance

(D) Certainty equivalent

50. Which measures the systematic or non-systematic risk of a security ?

(A) Beta

(B) Variance

(C) Standard deviation

(D) Range

51. Passive management is also referred to as __________ .

(A) index fund management

(B) index folio management

(C) interest free management

(D) None of the above

52. Multifactor asset pricing model that can be used to estimate the ___________ rate for the valuation of financial asset.

(A) discount

(B) interest

(C) expense

(D) risk

53. Liquidity risk :

(A) is risk investment bankers face.

(B) is lower for small OTC

(C) increases whenever interest rates increases

(D) is risk associated with secondary market transactions

54. Bondholders usually accept interest payment each :

(A) 1 year

(B) six months

(C) 2 months

(D) 2 years

55. Which of the following represents an upper price limit for a stock, based on the quantity of willing sellers ?

(A) Candle

(B) Trend line

(C) Support

(D) Resistance

56. Which of the following do a technical analysis believe is a lower bound on a stock's price ?

(A) Candle

(B) Support

(C) Trend line

(D) Resistance

57. Barometric approach is used for ___________ .

(A) Economic forecasting

(B) Trend prediction

(C) Price estimation

(D) Dividend forecasting

58. Opportunistic model building is also known as :

(A) Econometric model building

(B) Mathematical model building

(C) Sectorial analysis

(D) Anticipatory surveys

59. A measure of risk per unit of expected return :

(A) Standard deviation

(B) Coefficient of variation

(C) Correlation coefficient

(D) Beta

60. The greater the beta, the security involved :

(A) Greater the unavoidable risk

(B) Greater the avoidable risk

(C) Less the unavoidable risk

(D) Less the avoidable risk

61. Return of investment is determined by :

(A) Net profit

(B) Capital employed

(C) Net worth

(D) Net profit and capital employed

62. Which leaverage helps to examine the relationship between EBIT and EPS ?

(A) Operating

(B) Financial

(C) Combined

(D) None of the above

63. Elliot's Wave Theory was introduced in the year :

(A) 1949

(B) 1934

(C) 1926

(D) None of the above

64. The oldest approach to common stock selection is :

(A) Fundamental Analysis

(B) Technical Analysis

(C) Random Walk Analysis

(D) Value Analysis

65. Technical Analysis reflects the idea that stock prices :

(A) Move upward over-time

(B) Move inversely over-time

(C) Move in trends

(D) Move randomly

66. __________ is the study of historical stock prices and stock market behaviour to identify recurring pattern.

(A) Fundamental Analysis

(B) Technical Analsis

(C) Economic Analysis

(D) Industrial Analysis

67. Which analysis provides a simplified picture of price behaviour of a shares ?

(A) Fundamental

(B) Technical

(C) Ratio

(D) Fund flow

68. Financial risk involves :

(A) risk of insolvency

(B) risk of variation in expected earning

(C) Both (A) and (B)

(D) None of the above

69. If ROI is more than cost of debt :

(A) EPS increase

(B) Financial risk increase

(C) Both (A) and (B)

(D) None of the above

70. The daily high price is represented on a candlestick chart by the :

(A) real body

(B) trend-line

(C) channel

(D) shadow

71. A ____________ indicates the general direction in which a security price is headed.

(A) trend

(B) ratio

(C) price

(D) None of the above

72. __________ are the short-term unsecured promissory notes issued by a company to raise short-term cash.

(A) CD

(B) CP

(C) Treasury Bills

(D) All of the above

73. ____________ are financial investments that have no intrinsic value, but drive their value from something else.

(A) Bonds

(B) Commercial Bills

(C) Desiratives

(D) Shares

74. Capital structure decision should always aim at having debt component in order to ____________.

(A) gain tax saying

(B) balance of capital structure

(C) gain control

(D) increase EPS

75. The non-produce projects should be financed by :

(A) debt and equity

(B) debt

(C) equity

(D) retained earning

76. Bond price will move ____________ to market interest changes.

(A) Inversely

(B) Positively

(C) Constant

(D) Randomly

77. __________ ratio is used to estimate the value of stocks by the investors rather than adopting discounting models.

(A) Price to sales ratio

(B) Price to book ratio

(C) Price earnings ratio

(D) Dividend pay-out ratio

78. According to Graham, a stock should have a current ratio of at least ____________.

(A) one

(B) two

(C) three

(D) four

79. If the returns of two securities are unrelated, the covariance will be _____________.

(A) Positive

(B) Negative

(C) Zero

(D) One

80. Portfolios included in the risk return space is called _____________.

(A) Feasible set

(B) Efficient portfolio

(C) High return portfolio

(D) Risky portfolio

81. Price movements in zig-zag fashion with any rise or fall interrupted by counter movements are known as _____________.

(A) Trend Reversal

(B) Consolidation

(C) Reactions

(D) Penetration

82. Which among the following is a market indicator ?

(A) Oscillators

(B) MACD

(C) Odd-lot-index

(D) Moving average

83. A group of security is known as :

(A) Investment

(B) Portfolio

(C) Security

(D) Gambling

84. How many stocks are listed on the Mumbai Stock Exchange ?

(A) 6000

(B) Less than 6000

(C) More than 6000

(D) 10000

85. _____________ are organized markets for buying and selling securities which include stock, bonds, options, and futures.

(A) Desiratives

(B) Sensex

(C) Stock Exchange

(D) Market

86. ___________analysis is a study based on market emotions and share price movement.

(A) Fundamental

(B) Moral

(C) Technical

(D) All of the above

87. A ____________ average of a stock index is the average level of the index over a given interval of time.

(A) static

(B) moving

(C) gross

(D) net

88. Market price breaking through the moving average from below is a _____________ indicator.

(A) Bullish

(B) Flat

(C) Bearish

(D) None of the above

89. Triple tops and triple bottom are indicators of ______________.

(A) Role reversal

(B) Trend reversal

(C) Both (A) and (B)

(D) High volumes

90. Return on investment is determined by ______________.

(A) Net profit

(B) Capital employed

(C) Net worth

(D) Net profit and capital employed

91. Which theory believes that the investors prefer larger to smaller returns from securities ?

(A) Modern

(B) Traditional

(C) Markowitz

(D) Sharpe

92. Which of the following is a financial investment ?

(A) Share

(B) Farmhouse

(C) Car

(D) T. V. Set

93. Which of the following is tax saving investment ?

(A) Fixed deposit

(B) Shares

(C) PPF

(D) Post office saving

94. ___________ gives the no. of shares for which each bond maybe exchange.

(A) Market Conversion Value

(B) Conversion Ratio

(C) P/V Ratio

(D) B. E.P. Ratio

95. The last step in fundamental analysis is :

(A) Economic Analysis

(B) Industrial Analysis

(C) Company Analysis

(D) Technical Analysis

96. The issues promise to repay to the principal at maturity date plus coupon interest over some specified period of being :

(A) Investor

(B) Tender

(C) Both (A) and (B)

(D) Borrower

97. _____________ is the excess of the bond over its conversion value.

(A) Market Conversion

(B) Conversion Premium

(C) Conversion Discount

(D) Conversion Ratio

98. The investment process begins with ___________.

(A) Investment policy

(B) Security analysis

(C) Portfolio construction

(D) Fundamental analysis

99. Total risk includes ___________.

(A) Systematic risk only

(B) Unsystematic risk only

(C) Both (A) and (B)

(D) Only diversifiable risks

100. Systematic risk includes __________.

(A) Market risk

(B) Interest rate risk

(C) Purchasing power risk

(D) All of the above

4. Four alternative answers are mentioned for each question as—A, B, C & D in the booklet. The candidate has to choose the most correct/appropriate answer and mark the same in the OMR Answer-Sheet as per the direction :

Example :

Question :

Q. 1 (A) ● (C) (D)

Q. 2 (A) (B) ● (D)

Q. 3 (A) ● (C) (D)

Illegible answers with cutting and over-writing or half filled circle will be cancelled.

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.

6. All answers are to be given on OMR Answer sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.

7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.

8. After the completion of the examination candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.

9. There will be no negative marking.

10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.

11. To bring and use of log-book, calculator, pager and cellular phone in examination hall is prohibited.

12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

Impt. : On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is ny discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर—A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से एक सबसे सही अथवा सबसे उपयुक्त उत्तर छाँटना है। उत्तर को OMR आन्सर-शीट में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

उदाहरण :

प्रश्न :

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

अपठनीय उत्तर या ऐसे उत्तर जिन्हें काटा या बदला गया है, या गोले में आधा भरकर दिया गया, उन्हें निरस्त कर दिया जाएगा।

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।

6. सभी उत्तर केवल ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।

7. ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।

8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।

9. निगेटिव मार्किंग नहीं है।

10. कोई भी रफ कार्य, प्रश्न-पुस्तिका के अन्त में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।

11. परीक्षा-कक्ष में लॉग-बुक, कैलकुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।

12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

महत्वपूर्ण : प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्न-पुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्न-पुस्तिका प्राप्त कर लें।