Roll. No. ....

O.M.R. Serial No. | | | | | | | | |

Question Booklet Number

B.Com. (Hons.) (SEM.-VI) (NEP) (SUPPLE.) EXAMINATION, 2024-25

COMMERCE

[Security Analysis & Portfolio Management (AFS)]

(BCH-606)

Paper Code							
Z	0	1	0	1	1	5	T

Question Booklet Series
A

Time : 1 : 30 Hours **Max. Marks : 75**

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 75 questions in the OMR Answer-Sheet provided and not in the question booklet. 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.
4. Four alternative answers are mentioned for each question as - A, B, C & D in the booklet. The candidate has to choose the correct / answer and mark the same in the OMR Answer-Sheet as per the direction :

(Remaining instructions on last page)

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 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। 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, उसे तुरन्त बदल लें।
4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर- A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छाँटना है। उत्तर को OMR उत्तर-पत्रक में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

(शेष निर्देश अन्तिम पृष्ठ पर)

1. Investment refers to:

(A) Spending money on consumption

(B) Committing funds for future return

(C) Donating money

(D) Holding cash only

2. Speculation is mainly associated with:

(A) Long-term wealth building

(B) High risk and short-term price movements

(C) Safe savings plans

(D) Government bonds only

3. Which of the following is not an investment avenue?

(A) Equity shares

(B) Gold

(C) Lottery tickets

(D) Mutual funds

4. The primary objective of investment is:

(A) Entertainment

(B) Risk taking

(C) Earning return with controlled risk

(D) Gambling

5. Risk in investment means:

(A) Guaranteed returns

(B) Uncertainty about future returns

(C) Loss is impossible

(D) Fixed income always

6. The relationship between risk and return is usually:

(A) Direct (higher risk $\rightarrow$ higher return)

(B) Inverse

(C) No relation

(D) Constant

7. An investment environment includes:

(A) Financial markets, instruments, and regulations

(B) Only stock exchanges

(C) Only banks

(D) Only currency market

8. Which of the following is a real asset?

(A) Shares

(B) Bonds

(C) Land and buildings

(D) Debentures

9. Which is a financial instrument?

(A) Real estate

(B) Jewellery

(C) Government securities

(D) Machinery

10. Primary market deals with:

(A) Buying new securities directly from issuers

(B) Trading existing securities

(C) Currency exchange

(D) Derivatives only

11. Secondary market is also called:

(A) Over-the-counter market

(B) Stock exchange

(C) Foreign exchange market

(D) New issue market

12. Investment process begins with:

(A) Portfolio revision

(B) Identifying investor objectives

(C) Selling shares

(D) Collecting dividends

13. Which of the following is an investment medium?

(A) Equity shares

(B) Bonds

(C) Mutual funds

(D) All of the above

14. Risk-free return can be expected from:

(A) Treasury bills

(B) Equity shares

(C) Real estate

(D) Commodities

15. Portfolio means:

(A) One stock only

(B) Collection of investments held by an investor

(C) Bank account

(D) Only fixed deposits

16. Diversification helps to:

(A) Increase risk

(B) Reduce unsystematic risk

(C) Eliminate market risk fully

(D) Avoid returns

17. Inflation affects investment by:

(A) Increasing real return

(B) Reducing purchasing power of returns

(C) Eliminating risk

(D) Guaranteeing profits

18. Fixed-income securities give:

(A) Uncertain cash flow

(B) Predetermined interest or coupon

(C) No return at all

(D) Gambling gains

19. Mutual funds allow investors to:

(A) Invest in a diversified portfolio professionally managed

(B) Gamble in derivatives

(C) Avoid regulations

(D) Buy physical gold only

20. Liquidity in investment means:

(A) Ability to convert into cash quickly without big loss

(B) Only cash in hand

(C) High risk always

(D) No marketability

21. The trade-off in investment usually refers to:

(A) Risk vs Return

(B) Price vs Quality

(C) Demand vs Supply

(D) Buying vs Selling

22. Which is an example of marketable security?

(A) Fixed deposit with a bank

(B) Equity shares listed on exchange

(C) Insurance policy

(D) Real estate

23. A derivative security derives value from:

(A) Future profits

(B) Underlying asset like stock or index

(C) Lottery outcomes

(D) Bank deposits

24. Which investment offers ownership rights?

(A) Debenture

(B) Preference share

(C) Equity share

(D) Treasury bill

25. Investment in commodities includes:

(A) Crude oil futures

(B) Gold ETFs

(C) Agricultural produce contracts

(D) All of these

26. The primary goal of a conservative investor is:

(A) High speculation

(B) Capital preservation and steady income

(C) Maximum risk

(D) Quick trading

27. Systematic risk is also called:

(A) Diversifiable risk

(B) Market risk

(C) Company-specific risk

(D) Avoidable risk

28. An aggressive investor:

(A) Avoids risk totally

(B) Prefers high risk and potential high return

(C) Wants fixed income

(D) Invests only in FDs

29. Which of these is a non-financial investment?

(A) Real estate

(B) Mutual funds

(C) Bonds

(D) Preference shares

30. The capital market is mainly for:

(A) Short-term borrowing

(B) Long-term funds

(C) Daily cash

(D) Only gold trading

31. Time value of money means:

(A) Money today is less valuable than future money

(B) Money today is more valuable than the same amount in future

(C) Money value never changes

(D) Future money grows automatically

32. Compounding refers to:

(A) Calculating only simple interest

(B) Earning interest on principal plus previous interest

(C) Reducing interest

(D) No growth

33. Discounting is:

(A) Adding future value

(B) Finding present value of future cash flows

(C) Compounding faster

(D) None of these

34. The dividend discount model is used for valuing:

(A) Bonds

(B) Equity shares

(C) Real estate

(D) Gold

35. Preference shares offer:

(A) Voting rights always

(B) Fixed dividend and preference over equity in payout

(C) Guaranteed capital gain

(D) Tax-free returns

36. Which model values a stock using expected dividend and growth rate?

(A) CAPM

(B) Gordon Growth Model

(C) Black-Scholes '

(D) Put-call parity

37. Fundamental analysis studies:

(A) Financial statements and economic factors

(B) Only share price charts

(C) Rumours and news

(D) Gambling patterns

38. Efficient Market Hypothesis (EMH) implies:

(A) Prices reflect all available information

(B) Investors can easily beat market always

(C) Prices are random with no info

(D) Market is always irrational

39. In a weak-form efficient market, prices reflect:

(A) All public & private info

(B) Only past price & volume data

(C) Only insider info

(D) Government decisions

40. In semi-strong form EMH, prices reflect:

(A) Past data only

(B) Public information

(C) Private insider info only

(D) Astrology

41. Bond is a:

(A) Ownership instrument

(B) Fixed-income debt instrument

(C) Lottery ticket

(D) Futures contract

42. Coupon rate refers to:

(A) Annual interest paid on a bond

(B) Issue price of bond

(C) Face value

(D) Inflation rate

43. Yield to Maturity (YTM) measures:

(A) Simple interest earned

(B) Total return if bond is held to maturity

(C) Dividend return

(D) Only coupon income

44. Bond prices and market interest rates are:

(A) Positively related

(B) Negatively related

(C) Not related

(D) Always constant

45. A zero-coupon bond pays:

(A) No periodic interest but issued at discount

(B) High annual interest

(C) Dividend instead of interest

(D) Coupons quarterly

46. Duration of a bond measures:

(A) Time to maturity only

(B) Price sensitivity to interest rate changes

(C) Company performance

(D) Credit rating

47. Credit risk in bonds refers to:

(A) Risk of issuer defaulting on payments

(B) Market interest rate changes

(C) Inflation

(D) Liquidity

48. The par value of a bond means:

(A) Market price

(B) Stated face value payable at maturity

(C) Book value

(D) Coupon rate

49. Callable bonds can be:

(A) Converted to shares

(B) Redeemed by issuer before maturity

(C) Sold only in secondary market

(D) Tax-free

50. Convertible bonds allow:

(A) Bondholder to convert into equity shares

(B) Issuer to convert into preference shares

(C) Investor to redeem early

(D) Govt to convert into loan

51. Fundamental analysis does NOT include:

(A) Industry analysis

(B) Company financial analysis

(C) Astrology-based prediction

(D) Economic analysis

52. Technical analysis focuses on:

(A) Price charts & market trends

(B) Company balance sheets

(C) GDP and inflation

(D) Dividend history only

53. Book value per share is:

(A) Market price of share

(B) Net assets ÷ number of shares

(C) Dividend per share

(D) Earning per share

54. P/E ratio means:

(A) Price ÷ Earnings per share

(B) Price ÷ Equity

(C) Profit ÷ Equity

(D) Price ÷ Expenses

55. Beta of a stock measures:

(A) Dividend stability

(B) Sensitivity of stock returns to market returns

(C) Company size

(D) Credit rating

56. A defensive stock is one that:

(A) Rises and falls sharply

(B) Performs steadily regardless of market conditions

(C) Only in technology

(D) Has no dividend

57. Intrinsic value of a share is:

(A) Its market price

(B) Theoretical fair value based on fundamentals

(C) Arbitrary value set by govt

(D) Always higher than price

58. The face value of equity share is:

(A) Issue price always

(B) Nominal value printed on share certificate

(C) Market price

(D) Book value

59. A bond selling at premium means:

(A) Market price > face value

(B) Market price = face value

(C) Market price < face value

(D) No coupon

60. Interest rate risk for a bondholder is:

(A) Risk of interest rates rising and bond prices falling

(B) Default by issuer

(C) Exchange rate change

(D) Dividend cut

61. Portfolio management means:

(A) Buying a single share

(B) Managing a group of investments to achieve specific goals

(C) Only saving in bank

(D) Avoiding risk completely

62. Traditional portfolio management focuses mainly on:

(A) Diversification & risk-return analysis

(B) Individual security selection & income generation

(C) Beta calculation

(D) Asset pricing models

63. Modem portfolio management is based on:

(A) Random choice of stocks

(B) Risk-retum trade-off and diversification using statistics

(C) Astrology predictions

(D) Insider trading

64. Portfolio risk refers to:

(A) Total uncertainty in returns from the portfolio

(B) Risk of holding only cash

(C) Only default risk

(D) Only inflation

65. Diversification helps to reduce:

(A) Systematic risk

(B) Unsystematic risk

(C) Market-wide risk

(D) Interest rate risk completely

66. Systematic risk is:

(A) Diversifiable

(B) Non-diversifiable market risk

(C) Company-specific

(D) Always zero

67. The mean-variance criterion is used to:

(A) Select portfolios with highest risk

(B) Choose portfolios giving maximum return for given risk

(C) Ignore variance

(D) Minimize return

68. Markowitz portfolio theory is also called:

(A) Modern Portfolio Theory (MPT)

(B) Random Walk Theory

(C) Capital Market Theory

(D) Efficient Frontier Model only

69. In Markowitz model, efficient frontier represents:

(A) Portfolios giving highest return for each risk level

(B) All risky assets available

(C) Market index only

(D) Lowest return options

70. Covariance in portfolio analysis measures:

(A) Relationship of returns between two securities

(B) Company profits

(C) Inflation

(D) Stock price level

71. A portfolio with low correlation among assets generally has:

(A) Higher risk

(B) Lower overall risk

(C) No effect on risk

(D) Guaranteed loss

72. Portfolio construction starts with:

(A) Setting investor objectives & risk profile

(B) Trading shares immediately

(C) Checking daily news

(D) Borrowing money

73. Optimum portfolio for an investor is:

(A) Portfolio with maximum possible risk

(B) Portfolio giving best return for investor's risk tolerance

(C) Portfolio with only bonds

(D) One with random assets

74. Beta of a portfolio is:

(A) Weighted average of betas of individual securities

(B) Always equal to 1

(C) Market volatility measure only

(D) Sum of stock prices

75. A risk-averse investor prefers:

(A) Highest risk regardless of return

(B) Lower risk even if returns are moderate

(C) Only gambling

(D) No diversification

76. Portfolio return is:

(A) Weighted average of individual security returns

(B) Sum of all dividends

(C) Minimum of all returns

(D) Only capital gains

77. Efficient portfolios are those that:

(A) Minimize risk for given return or maximize return for given risk

(B) Ignore diversification

(C) Have highest price

(D) Only include bonds

78. Capital allocation line (CAL) shows:

(A) Risk-return trade-off of combining risky portfolio and risk-free asset

(B) Only risk-free returns

(C) Prices of shares

(D) Arbitrage profits

79. Unsystematic risk is also known as:

(A) Market risk

(B) Specific or diversifiable risk

(C) Inflation risk

(D) Systematic risk

80. Portfolio analysis helps investor to:

(A) Evaluate performance and adjust investments

(B) Avoid any planning

(C) Ignore risk

(D) Maximize speculation only

81. The Capital Asset Pricing Model (CAPM) relates:

(A) Expected return of an asset to its systematic risk (beta)

(B) Price to company profits only

(C) Dividends to earnings

(D) Past prices to future

82. In CAPM, the risk-free rate is:

(A) Return on equity shares

(B) Government security yield

(C) Mutual fund return

(D) Market return

83. The Security Market Line (SML) represents:

(A) Relationship between asset's expected return and beta

(B) Bond yield vs price

(C) Diversification benefits

(D) Dividend payout

84. The Capital Market Line (CML) shows:

(A) Risk-return trade-off of efficient portfolios using standard deviation as risk

(B) Beta vs return

(C) Market prices only

(D) Portfolio revision method

85. Alpha in portfolio performance means:

(A) Extra return earned over CAPM expected return

(B) Risk-free rate

(C) Market average return

(D) Beta value

86. Arbitrage Pricing Theory (APT) assumes:

(A) Single factor drives returns

(B) Multiple macroeconomic factors affect asset returns

(C) Random outcomes only

(D) Insider info drives price

87. Portfolio revision is required because:

(A) Market and investor needs change over time

(B) It increases speculation

(C) It avoids any profit

(D) It eliminates risk completely

88. A managed portfolio is:

(A) Professionally handled by portfolio managers

(B) Always self-managed

(C) Randomly created by investor

(D) Not diversified

89. Portfolio performance evaluation measures:

(A) How well portfolio achieved risk-return objectives

(B) Only market prices

(C) Past inflation

(D) Random news impact

90. Sharpe ratio is calculated as:

(A) (Portfolio return – Risk-free rate) $\div$ Portfolio standard deviation

(B) Return $\div$ Beta

(C) Market return $\div$ Beta

(D) Return × Risk

91. Treynor ratio uses:
   (A) Standard deviation
   (B) Beta as risk measure
   (C) Inflation rate
   (D) Covariance only

92. Jensen's alpha measures:
   (A) Excess return over CAPM expected return
   (B) Portfolio variance
   (C) Market volatility
   (D) Dividend growth

93. A portfolio with Sharpe ratio higher than peers is:
   (A) Performing better on risk-adjusted basis
   (B) Riskier with no return
   (C) Poor performer
   (D) Always losing money

94. If beta of a portfolio is 1, its risk is:
   (A) Equal to market risk
   (B) Lower than market
   (C) Zero
   (D) Unsystematic only

95. An underpriced security in CAPM context lies:
   (A) Above the SML
   (B) Below the SML
   (C) On the CML
   (D) On the risk-free line

96. Overpriced security in CAPM lies:
   (A) Above SML
   (B) Below SML
   (C) On SML
   (D) On risk-free rate

97. Portfolio beta is useful to:
   (A) Measure market risk exposure
   (B) Calculate inflation rate
   (C) Decide interest rate
   (D) Predict dividends

98. Portfolio variance depends on:
   (A) Weights, variances & covariances of assets
   (B) Only average returns
   (C) Number of stocks only
   (D) Market index

99. Need for portfolio performance evaluation is:
   (A) To check if investment objectives are met and adjust strategy
   (B) For speculation
   (C) For gambling
   (D) For taxes only

100. Capital Market Theory assumes:
   (A) Investors are rational and markets are efficient
   (B) All investors act randomly
   (C) No risk exists
   (D) Unlimited arbitrage

Rough Work

Example :

Question :

Q.1 Ⓐ ● Ⓒ Ⓓ

Q.2 Ⓐ Ⓑ ● Ⓓ

Q.3 Ⓐ ● Ⓒ Ⓓ

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 & 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 any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

उदाहरण :

प्रश्न :

प्रश्न 1 Ⓐ ● Ⓒ Ⓓ

प्रश्न 2 Ⓐ Ⓑ ● Ⓓ

प्रश्न 3 Ⓐ ● Ⓒ Ⓓ

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

6. सभी उत्तर केवल ओ०एम०आर० 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. ओ०एम०आर० 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 में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।

11. परीक्षा-कक्ष में लॉग-बुक, कैल्कुलेटर, 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।

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