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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2024 ONLY)

24PCC416

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : MAY-2026

M.Com.-C.A	**MAXIMUM MARKS: 75**
SEMESTER: IV	**TIME : 3 HOURS**

SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

SECTION- A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS. **K1**

1. Investment is best defined as the______________.
   a) Purchase of assets for short-term speculation
   b) Commitment of resources to achieve future income
   c) Gambling on stock price fluctuations
   d) Allocation of funds without risk consideration

2. Fundamental analysis primarily evaluates______________.
   a) Economic, industry, and company factors b) Past price patterns
   c) Short-term trading signals d) Market psychology only
3. The Dow Theory assumes that_____________.
   a) Markets are always inefficient b) Trends never reverse
   c) Fundamental data is irrelevant d) Prices reflect all available information
4. Portfolio diversification aims to_____________.
   a) Spread investments to reduce unsystematic risk b) Increase overall risk
   c) Focus on single asset classes d) Maximize short-term gains

5. CAPM relates expected return to_____________.
   a) Total risk only b) Company-specific factors
   c) Systematic risk measured by beta d) Historical returns alone

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. **K2**

6. State the key difference between speculation and investment.
7. Interpret the three levels of fundamental analysis.
8. Relate the basic assumptions of technical analysis.
9. Define the objectives of portfolio management.
10. Explain the components of the Sharpe Single Index Model.

SECTION- B (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. **K3**

11. a) Demonstrate how government bonds qualify as investment rather than speculation.

OR

   b) Solve for the impact of inflation risk on fixed-income securities.

12. a) Use industry growth cycle stages to classify the automobile sector.

OR

   b) Execute company analysis using EIC ratio for investment decisions.

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13. a) Interpret a head-and-shoulders pattern using charting tools.

OR

b) Compare RSI and MACD applications in overbought detection.

14. a) Construct steps for building a conservative equity portfolio.

OR

b) Justify concentration in growth stocks using portfolio principles.

15. a) Compute portfolio beta using Sharpe Single Index Model.

OR

b) Calculate required return for a stock with beta 1.2 using CAPM.

SECTION –C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. K4 & K5

16. a) Differentiate between investment, speculation, and gambling using risk-return profiles.

OR

b) Assess the scope of investment programs in volatile markets.

17. a) Distinguish cyclical vs. defensive industries using classification methods.

OR

b) Judge the effectiveness of company analysis in predicting growth cycles.

18. a) Critique the limitations of technical vs. fundamental analysis.

OR

b) Examine Efficient Market Hypothesis forms' impact on charting.

19. a) Break down portfolio investment process stages for risk management.

OR

b) Appraise Markowitz model's diversification benefits.

20. a) Compare CAPM vs. Factor Model suitability for portfolios.

OR

b) Decompose differences between single and multiple factor models.

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