Reg. No.																

Question Paper Code	14188

MBA - DEGREE EXAMINATIONS, NOV / DEC 2025

Third Semester

Master of Business Administration

24MBF301 - INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Regulations – 2024

Duration: 3 Hours — Max. Marks: 100

PART - A (10 × 2 = 20 Marks)

Answer ALL Questions

No.	Question	Marks	K – Level	CO
1.	Which investment is better: Option A (Return = 10%, Risk = 5%) or Option B (Return = 15%, Risk = 9%)?	2	K1	CO1
2.	List any two factors influencing investment decisions.	2	K1	CO1
3.	Recall Book Building.	2	K1	CO2
4.	Differentiate between Systematic and Unsystematic Risk.	2	K2	CO2
5.	What is meant by Economic Forecasting?	2	K1	CO3
6.	If a 5-day moving average crosses above a 10-day moving average, what signal does it give to a trader?	2	K2	CO3
7.	Classify Trend and Trend Reversal.	2	K2	CO4
8.	Infer the Efficient Market Hypothesis (EMH).	2	K2	CO4
9.	Who is a Portfolio Manager?	2	K1	CO5
10.	Two securities have returns of 10% and 15% with equal weights. Find the expected portfolio return.	2	K2	CO5

PART - B (5 × 13 = 65 Marks)

Answer ALL Questions

11. a) "Investment decisions are influenced by risk and return perceptions." – apply this statement with reference to various investment avenues available to Indian investors. *13 K3 CO1*

OR

b) An Investor has a choice has a choice of four Stocks of Investment. Their rate of return and probabilities are given below: *13 K3 CO1*

A		B		C		D	
r	**P%**	**r**	**P%**	**r**	**P%**	**r**	**P%**
-30	20	-20	15	-20	20	-10	10
0	40	0	35	10	40	0	25
30	30	20	45	40	30	10	40
70	10	40	5	80	10	20	25

a) Are all these stocks attractive investment? Give reasons.

b) Of those that are attractive, how should the investor choose one to buy?

12. a) Classify the parties involved in the issue of shares in the Primary market. *13 K2 CO2*

OR

b) Illustrate the changes in the trading system of stock exchanges brought by SEBI in the recent years. *13 K2 CO2*

13\. a) Explain the importance of economic analysis and state the economic factors considered for this analysis. *13 K2 CO3*

OR

b) Interpret ratio analysis reflect the financial health of a company. Explain the different types of ratios used for company analysis. *13 K2 CO3*

14\. a) Chart patterns are helpful in predicting the stock price movement'- Justify. *13 K3 CO4*

OR

b) Develop the Efficient Market Hypothesis (EMH) and discuss whether technical analysis can still generate abnormal returns. *13 K3 CO4*

15\. a) From the following details rank them with the help of Sharpe index, Treynor index and Jensen model assume that the risk free interest is 8%. *13 K4 CO5*

	Portfolio A	**Portfolio B**	**Portfolio C**
Return	21%	25%	20%
Beta	0.9	1.6	1.0
Standard Deviation	5%	6%	9%
Market Return	12%		
Risk Free rate	8%		

OR

b) What are the basic assumptions of CAPM? What are the advantages of adopting the CAPM model in Portfolio Management? *13 K4 CO5*

PART - C (1× 15 = 15 Marks)
(Compulsory)

16\. a) Mr. David is constructing an optimum portfolio. The market return forecast says that it would be 13.5% for the next years with the market variance of 10%. The risk-free rate of return is 5%. The following securities are under review. Find out the optimum portfolio. *15 K5 CO5*

Company	Mean Return	Beta	Unsystematic Risk
Anil	17.09	0.99	9.35
Avil	17.75	1.27	5.92
Bow	13.37	0.96	9.79
Viril	16.12	1.21	5.39
Billy	10.58	0.75	4.52