

(Please write your Exam Roll No.)

Exam Roll No. 59512001724

END TERM EXAMINATION

THIRD SEMESTER [BBA] DECEMBER 2025-JANUARY 2026

Paper Code: BBA-211

Subject: Security Analysis and Portfolio Management

Time: 3 Hours

Maximum Marks: 60

Note: Attempt all questions as directed. Internal choice is indicated.

- Q1 Attempt **any Four** of the following. (4x5=20)
- Differentiate between active and passive portfolio management.
 - Explain the role of investor objectives, time horizon, and liquidity in portfolio construction.
 - What is Sharpe Ratio? What does it measure?
 - Differentiate between expected return and realized return.
 - What is SWOT analysis? How is it useful in company analysis?
 - Explain the concept of technical analysis. Discuss trends, support and resistance levels, and moving averages.
 - Explain different asset allocation strategies, including the life-cycle approach and asset allocation pyramid.
 - Explain different types of mutual funds based on structure and objectives.

- Q2 Explain the risk-return framework of investments. Distinguish between systematic and unsystematic risk and explain the measurement of risk using standard deviation, beta, and alpha, with suitable examples. (10)

OR

- Q3 Explain the Dividend Discount Model (DDM) and P/E Ratio based valuation for equity valuation. Discuss the assumptions and limitations of these models. (10)

- Q4 Consider the following: (10)

(a) A company has just paid a dividend of ₹5 per share. Dividends are expected to grow at 6% per annum. The required rate of return is 13%. Calculate the intrinsic value of the share.

(b) A firm reports an EPS of ₹18. The average P/E ratio of the industry is 16. Estimate the fair value of the share. If the market price is ₹260, state whether the stock is undervalued or overvalued.

OR

- Q5 Discuss the concept of portfolio diversification. Explain the construction of the efficient frontier and the selection of an optimum portfolio based on investor objectives. (10)

- Q6 Explain the Capital Asset Pricing Model (CAPM). Discuss its assumptions and explain how CAPM helps in identifying undervalued and overvalued securities. (10)

OR

- Q7 Consider the following: (10)

(a) A bond has a face value of ₹1,000, coupon rate 9%, maturity 6 years, and required rate of return 11%. Calculate the price of the bond and state whether the bond is trading at par, premium, or discount

(b) A bond with face value ₹1,000 pays an annual coupon of ₹80, matures in 5 years, and is currently selling for ₹940. Calculate the Yield to Maturity (YTM).

P.T.O

P/12

1.36

1.67

31.2.87

Strength