Reg. No: | | | | | | | | | | |

SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)
MBA II Year I Semester Supplementary Examinations November-2020
INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Time: **3 hours**   Max. Marks: **60**

SECTION – A
(Answer all Five Units **5 x 10 = 50** Marks)

UNIT-I

1   Explain nature and objectives of Investment.   **10M**

OR

2   Describe briefly the important investment avenues available to savers in India.   **10M**

UNIT-II

3   Describe the relationship between Fundamental Analysis and Technical Analysis.   **10M**

OR

4   Describe the various characteristics of an industry that an analyst must consider while doing industry analysis.   **10M**

UNIT-III

5   "Bond prices vary inversely with changes in market interest rates". Explain with examples.   **10M**

OR

6   The Jones company recently issued a Rs.1,000 12 percent semiannual bond with 20 years to maturity. (i) what will be the price of the bond if the market rate of interest? (ii) Determine the bonds macaulay's Duration when it was issued and (iii) 2 years later   **10M**

UNIT-IV

7   Explain the various methods of valuation of Equity.   **10M**

OR

8   Explain Gordon's share valuation model with suitable illustration. What are the advantages of this model?   **10M**

UNIT-V

9   Explain the sharp index model. How does it differ from the Markowitz model?   **5M**

OR

10   Discuss the Markowitz theory of portfolio selection. How Markowitz theory does helps in planning investor's portfolio.   **5M**

SECTION – B
(Compulsory Question)

11   **1 x 10 = 10** Marks

The Jones and Sun Corporations have the following joint probability distribution of returns for next year.

State	Probability	Ret.Jones%	Ret.Sun%
Boom	0.1	14	20
Recession	0.2	-5	-2
Normal	0.4	10	9
Recovery	0.1	9	14
Slow growth	0.2	12	18

i) Determine the expected covariance of returns for the Jones and Sun Corporations.
ii) What is the correlation of returns between the Jones and Sun Corporations

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