(Please write your Exam Roll No.)

Exam Roll No. 2001420722

END TERM EXAMINATION

SIXTH SEMESTER [BBA] JUNE 2025

Paper Code: BBA-310 **Subject: Investment Analysis and Portfolio Management**

Time: 3 Hours **Maximum Marks: 75**

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

Q1 Attempt **any four** of the following questions: **(5x5=25)**

(a) Given that the standard deviation of return of the benchmark market index is 12%, the beta of XYZ Ltd is 1.4, and the standard deviation of its return is 16%. Segregate its overall risk into systematic risk and unsystematic risk.

(b) A stock has a beta of 1.4, a risk-free rate of 3%, and a market return of 10%. Compute the expected return using CAPM and evaluate whether the stock is fairly priced if its actual expected return is 10.5%.Give reasons.

(c) Explain the efficient frontier as per modern portfolio theory. What does it signify?

(d) What are the assumptions of Dow Theory? Why is it considered as basis of technical analysis?

(e) What is ESG-based investing? Why is it relevant in the modern context?

Q2 What is the meaning of risk? What are the different types of risks associated with investment? Explain the different methods of measuring risks. **(12.5)**

OR

Q3 From the following information, compute:

(a) Returns and risks of individual securities. **(3.5)**

(b) Return and risk of the portfolio comprising the two securities in equal proportions. **(9)**

Period	Return (Security X)	Return (Security Y)
1	12	21
2	7	32
3	18	8
4	10	-15
5	16	-10
6	14	17
7	20	40
8	10	20
9	5	32
10	15	18

P.T.O.

Q4 (a) Differentiate between Yield to Maturity and Yield to Call. When is each appropriate for investors in making investment decisions? **(6)**

(b) A stock that recently paid a dividend of Rs. 2.00. The dividend is expected to grow at 5% indefinitely. If the required rate of return is 10%, calculate the intrinsic value of the share. Also, discuss the assumptions of the valuation model. **(6.5)**

OR

Q5 Explain the impact of introducing a risk-free asset to a portfolio composed only of risky assets. Explain the transition from the efficient frontier to the Capital Market Line graphically with the help of an example. **(12.5)**

Q6 Explain the Efficient Market Hypothesis and its three forms. How do they differ in terms of information sets and investor expectations? **(12.5)**

OR

Q7 Explain the key assumptions of technical analysis. What is its importance in investment analysis? How does it differ from those of fundamental analysis? **(12.5)**

Q8 Define value investing. Discuss the key principles related to the value investing framework. Critically evaluate the performance of value investing strategies during bull vs. bear markets. **(12.5)**

OR

Q9 How do climate change and environmental risk disclosures affect portfolio construction and asset valuation? Evaluate the role of government policy and regulation in promoting ESG investment. **(12.5)**

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$Rf + B(\text{Market Return} - Rf)$

$3\% + 1.4(10\% - 3\%)$

$3\% \quad 1.4 \times (7\%)$

$3\% + 9.8\%$

$= 12.8\%$