

SVKM's NMIMS
NMIMS - GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION

Programme: PGDFM

Academic year: 2013 – 2014

Subject: Capital Market and Portfolio Management

Date: 15.12.2013

Semester: III

Course : New

Marks : 70

Time: 3.00 p.m. to 6.00 p.m.

Instructions:

1. Answer to each question to be started on a fresh page.
2. Figure in brackets indicate full marks.

Question (I) Attempt any 2 out of 4

(10 Marks)

- a) What are the assumptions of fundamental analysis?
- b) What are capital market instruments?
- c) What is a bull market?
- d) What is CML?

Question (II) Write Short notes on any 2 out of 5

(10 Marks)

- a) Sharpe ratio
- b) Markowitz model
- c) Probability distribution
- d) Elliot wave theory
- e) Beta of a portfolio

Question (III) Attempt any 3 out of 5

(30 Marks)

- a) Explain arbitrage mechanics.
- b) Explain the implications of Jensen model for the empirical testing of mutual fund performance.
- c) Is the stock market weak-form efficient?
- d) What are the differences between arbitrage and APT?
- e) What are the strengths and weaknesses of reluctant investor?

Question (IV) Answer both the questions

(20 Marks)

- a) Price of the bond at the beginning of the year is Rs.90, price of the bond at the end of the year is Rs. 95.40, interest received for the year is Rs. 13.50, compute the rate of return.
- b) $R_a = 8\%$, $R_f = 2\%$, $R_m = 9\%$, $\beta_a = 0.67$, $\sigma_a = 15\%$, $\sigma_m = 21\%$, compute the expected return on portfolio and total excess return.