

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

Programme: PGDFM

Examination: December 2015

Subject: Capital Market and Portfolio Management

Date: 20.12.2015

Semester: III

Course : New

Marks : 70

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

Instructions:

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

Q.1) Attempt any 2 out of 4

(Marks: 2X5=10)

- a) What is Semi strong form of market efficiency?
- b) What are the strengths of a measured investor?
- c) Explain Pioneering stage of industry life cycle.
- d) What are the major uses of Moving Averages?

Q.2) Write short notes on (2 out of 5)

(Marks: 2X5=10)

- a) Financial Intermediaries
- b) Capital Asset Pricing Model (CAPM)
- c) Bar charts & Line Charts.
- d) Bull market & Bear Market
- e) Time weighted return

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) What are the steps involved in an investment process? Explain.
- b) Differentiate between fundamental and technical analysis.
- c) Explain the six basic tenets of Dow Theory.

d) Explain Sharpe ratio, Treynor ratio and Jensen's measure.

e) What are the various anomalies in the market?

Q.4) Attempt both the questions

(Marks: 2X10=20)

a) The returns of security of Wipro and security of Infosys for the past five years are given below. Calculate the return of portfolio consisting of 80% investment in Wipro and the remaining investment in Infosys. Calculate the portfolio return and standard deviation of each security.

Year	Wipro's return %	Infosys return %
2003	9	10
2004	5	-6
2005	3	12
2006	12	9
2007	16	15

b) Mr. Soma owns a portfolio of two securities with the following expected returns, standard deviations, and weights:

Security	Expected Return	Standard Deviation	Weight
RNL	12%	15%	.40
SBI	15%	20%	.60

What are the maximum and minimum portfolio standard deviations for varying levels of correlation between two securities?
