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

Programme: PGDFM

Examination: December 2016
Subject: Capital Market and Portfolio Management

Semester: III
Course : New
Marks : 70
Time: 3.00 p.m. to 6.00 p.m.

Date: 10.12.2016

Instructions:

1. Answer to each new question to be started on a fresh page.
 2. Figures in bracket indicate full marks.
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Q.1) Attempt any 2 out of 4

(Marks: 2X5=10)

- a) What are the steps of investment process?
- b) The following information is given for a corporate bond. Price of the bond at the beginning of the year: Rs. 90, Price of the bond at the end of the year: Rs. 93, Interest received for the year: Rs. 12. Compute the rate of return.
- c) Differentiate between Bull and Bear market.
- d) Explain Risk-adjusted Returns.

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

(Marks: 2X5=10)

- a) Commercial Papers
- b) Capital Asset Pricing Model
- c) Bar Chart
- d) Minor Trend
- e) Semi strong form of market efficiency

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) What are the factors influencing selection of investment?

b) The following data shows the return of Amfi Ltd :

Year	Return on stock (%)	Return on Market (%)
2000	44	15
2001	32	29
2002	9	-6
2003	-10	-5
2004	12	15
2005	34	24
2006	26	18

Calculate the beta of Amfi Ltd.

- c) Explain various anomalies in the market.
- d) Explain Fundamental analysis.
- e) Explain the different types of moving averages used in technical analysis of stocks.

Q.4) Attempt both the questions

(Marks: 2X10=20)

a) Portfolio	Return $E(r)$ (%)	Risk σ (%)
SS Ltd	21	16
PK Ltd	9	10

If the correlation coefficient between X and Y is 0.2, determine: Portfolio risk and return, taking equal weights for both the stocks.

b) Compute Sharpe and Treynor ratios for the two funds:

Fund	Return(%)	Risk free rate(%)	Standard deviation(%)	Beta
A	25	10	10	0.8
B	40	10	15	1.25
