| Roll No. | | | | | | | | | | | | |
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# PRESIDENCY UNIVERSITY

## BENGALURU

**Make Up Examinations – December 2025**

**Date:** 26 – 12- 2025 **Time:** 9:30am – 12:30pm

| | | |
|---|---|---|
| **School:** SOC | **Program:** BBA | |
| **Course Code:** BBA3001 | **Course Name:** Securities Analysis and Portfolio Management | |
| **Semester**: MK | **Max Marks**: 100 | **Weightage**: 50% |

| CO - Levels | CO1 | CO2 | CO3 | CO4 | CO5 |
|---|---|---|---|---|---|
| Marks | 4 | 26 | 26 | 26 | 18 |

**Instructions:**

*(i) Read all questions carefully and answer accordingly.*

*(ii) Do not write anything on the question paper other than roll number.*

## Part A

| Answer ALL the Questions. Each question carries 2 marks. (10Q x 2M = 20M) | | | Bloom's Level | CO |
|---|---|---|---|---|
| 1 | State how the Price to Earnings Ratio is interpreted in Relative Valuation. | 2 Marks | Remember | CO1 |
| 2 | List out any TWO Return Ratios used in Company Analysis. | 2 Marks | Remember | CO1 |
| 3 | State any TWO differences between Investment and Speculation. | 2 Marks | Remember | CO2 |
| 4 | Name any TWO risks faced by investors investing in Corporate Debentures. | 2 Marks | Remember | CO2 |
| 5 | State any TWO Trend Reversal Patterns used in Technical Analysis. | 2 Marks | Remember | CO3 |
| 6 | Draw and show the components of a Bar Chart as used in Technical Analysis. | 2 Marks | Remember | CO3 |
| 7 | Recall the meaning of Duration of a Bond. | 2 Marks | Remember | CO4 |
| 8 | Recall the formula used in Capital Asset Pricing Model. | 2 Marks | Remember | CO4 |
| 9 | List out any FOUR Systemic Risks faced by Investments. | 2 Marks | Remember | CO5 |
| 10 | Recall as go what does a Sharpe Ratio indicate. | 2 Marks | Remember | CO5 |

## Part B

<table>
<tr><th colspan="4">Answer ALL the Questions. Each question carries 7 marks.<br>(5Q x 7M = 35M)</th><th>Bloom's Level</th><th>CO</th></tr>
<tr><td>11</td><td></td><td>Sarah, an experienced investor, is considering allocating part of her portfolio to an emerging market mutual fund. This fund offers the potential for high returns, as it invests in rapidly growing economies in regions like South America, Asia, and Africa. However, Sarah is aware that investing in emerging markets can be risky. Before making the investment, she wants to understand the key causes of risk in this type of investment. Assume you are the financial advisor; how will you explain the various risks associated with the investment.</td><td>7 Marks</td><td>Understand</td><td>CO2</td></tr>
<tr><td></td><td colspan="5">Or</td></tr>
<tr><td>12</td><td></td><td>Calculate Per Period Return for the following data.<br><table><tr><th>Period</th><th>Quantity</th><th>Opening Price of Share</th><th>Closing Price of Share</th><th>Dividend</th></tr><tr><td>1</td><td>440</td><td>44</td><td>52</td><td>1.00</td></tr><tr><td>2</td><td>520</td><td>52</td><td>58</td><td>1.50</td></tr><tr><td>3</td><td>580</td><td>58</td><td>53</td><td>0.50</td></tr><tr><td>4</td><td>530</td><td>53</td><td>60</td><td>1.00</td></tr></table></td><td>7 Marks</td><td>Understand</td><td>CO2</td></tr>
<tr><td>13</td><td></td><td>Ms Kala wants to go on a European Tour 5 Years from now for which she wants to invest a single amount today and create the required corpus for the tour from this investment. As a Financial Expert, suggest Ms Kala any Two specific Investments to achieve her financial objective.</td><td>7 Marks</td><td>Understand</td><td>CO3</td></tr>
<tr><td></td><td colspan="5">Or</td></tr>
<tr><td>14</td><td></td><td>Explain the difference between Securities Market Line and Capital Markets Line, with diagram.</td><td>7 Marks</td><td>Understand</td><td>CO3</td></tr>
<tr><td>15</td><td></td><td>• Face value of the bond: Rs 1,000<br>• Annual coupon rate: 8%<br>• Maturity: 5 years<br>• YTM: 9.5%<br>• Coupon payments: Annual<br><br>If the Current Market Price: Rs 928., would you buy this bond?</td><td>7 Marks</td><td>Understand</td><td>CO4</td></tr>
<tr><td></td><td colspan="5">Or</td></tr>
</table>

| | | | | | |
|---|---|---|---|---|---|
| **16** | | A Investor is looking at creating a Equal Weighted Two Stock Portfolio of RIL with either HUL or WIPRO. The details of the stocks are as follows:<br>RIL: Expected Returns % = 20%, Standard Deviation = 30%<br>HUL: Expected Returns % = 15%, Standard Deviation = 10%<br>WIPRO: Expected Returns % = 14%, Standard Deviation = 15%<br>Correlation between RIL and HUL is 0.85 and that of RIL and WIPRO is 0.35. Considering this information, provide your recommendation of the Portfolio to the investor. | **7 Marks** | **Understand** | **CO4** |

| | | | | | |
|---|---|---|---|---|---|
| **17** | | **Year / HDFC (%) / ICICI (%)**<br>**2017: 14 / 08**<br>**2018: 09 / 14**<br>**2019: 19 / 24**<br>**2020: -8 / 05**<br>**2021: 17 / 10**<br>**2022: 06 / 12**<br>• Calculate Risk of each investment and comment on it. | **7 Marks** | **Understand** | **CO5** |
| | | **Or** | | | |
| **18** | | Calculate CAGR from the following information,<br>Year 1 – Return 15%<br>Year 2 – Return 25%<br>Year 3 – Return 30%<br>Year 4 – Return 20%. | **7 Marks** | **Understand** | **CO5** |

| | | | | | |
|---|---|---|---|---|---|
| **19** | | Calculate 3 years Moving Average from the following data,<br>**Year / Price of the Share**<br>2010: 5<br>2011: 10<br>2012: 15<br>2013: 20<br>2014: 22<br>2015: 25<br>2016: 27<br>Give the graphical representation (Diagram) for the moving average trends and interpret the results. | **7 Marks** | **Understand** | **CO5** |
| | | **Or** | | | |
| **20** | | Differentiate between Technical Analysis and Fundamental Analysis. | **7 Marks** | **Understand** | **CO5** |

## Part C

<table>
<tr><th colspan="2">Answer Any THREE Questions. Each question carries 15 marks.<br>(3Q x 15M = 45M)</th><th>Bloom's Level</th><th>CO</th></tr>
<tr><td>21</td><td>(a) Define the Sharpe Ratio and explain its formula in detail, including the significance of each component.<br>(b) Differentiate the Treynor Ratio from the Sharpe Ratio and discuss under what circumstances each metric is more appropriate for performance evaluation.<br>(c) Calculate Sharpe Ratio and Treynor Ratio for the following Investment's data and Rank them Accordingly.
<table>
<tr><th>Investment</th><th>SD (%)</th><th>Risk Free Rate (%)</th><th>Beta</th><th>Return of Assets (%)</th></tr>
<tr><td>A</td><td>5</td><td>7</td><td>1.2</td><td>10</td></tr>
<tr><td>B</td><td>7</td><td>7</td><td>0.9</td><td>12</td></tr>
<tr><td>C</td><td>6</td><td>7</td><td>0.78</td><td>11</td></tr>
<tr><td>D</td><td>4.5</td><td>7</td><td>1.3</td><td>13</td></tr>
</table>
</td><td>15 Marks</td><td>Apply</td><td>CO2</td></tr>
<tr><td>22</td><td>
<table>
<tr><td></td><td>Stock A</td><td>Stock B</td></tr>
<tr><td>Returns %</td><td>27</td><td>19</td></tr>
<tr><td>Risk %</td><td>15%</td><td>8%</td></tr>
</table>
1. What is the expected return on portfolio made up of 70% of A and 30% of B.<br>2. What is the standard deviation of the Portfolio AB, if correlation between Stock A and B is 0.40?
</td><td>15 Marks</td><td>Apply</td><td>CO3</td></tr>
<tr><td>23</td><td>
<table>
<tr><th>Coupon Bond</th><th>Non – Coupon Bond</th></tr>
<tr><td>Face Value – Rs 3000</td><td>Face Value – Rs 2000</td></tr>
<tr><td>Annual Coupon Rate – 8%</td><td>Period of Maturity – 5 Years</td></tr>
<tr><td>Period of Maturity – 6 Years</td><td>Market Price – Rs 1400</td></tr>
<tr><td>Market Price – Rs 1500</td><td></td></tr>
</table>
• Calculate YTM of both Bonds.
</td><td>15 Marks</td><td>Apply</td><td>CO4</td></tr>
<tr><td>24</td><td>Mr Baskar has bought shares from ABC consultancy that has paid Rs 6 as dividend per share during the last financial year. He anticipates two situations<br>a) 6% decline in the dividend or<br>b) 6% growth in the dividend in the next year. His anticipated return is 20%.<br>• Find the value for both a) & b) situations mentioned above.</td><td>15 Marks</td><td>Apply</td><td>CO5</td></tr>
</table>