

ANDHRA UNIVERSITY
SCHOOL OF DISTANCE EDUCATION
MASTER OF BUSINESS ADMINISTRATION (Old Regulations)
III YEAR ASSIGNMENT QUESTION PAPER 2010-11

A 301: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Assignment No.1

Answer all Questions

5 x 5 = 25

1. (a) Explain the primary and subsidiary objective of investment.
(b) "The investment process involves a series of activities starting from the Policy formulation". Discuss.
2. (a) Give an account of the recent trends in the primary market.
(b) What are the factors to be considered by the investors in selecting public issue?
3. (a) Discuss the regulatory frame work for mutual funds in India
(b) How are mutual funds regulated by SEBI?
(c) How does the RBI regulate mutual funds?
4. (a) Explain the investor's protection measures taken by the regulatory Authorities in the primary market.
(b) How can the investors protection be made effective?
5. (a) What are the regulations relating to pricing of public issue of shares?
(b) Explain the procedure for the buyback of shares.

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Assignment No.2

Answer all Questions

5 x 5 = 25

1. (a) How do you analyse the competitiveness of an industry?
(b) Explain the technique of industry analysis.
2. (a) Discuss how secondary markets are regulated by SEBI
(b) Explain ESOS/ESOP
3. (a) Compute the asset beta when the company has an equity beta of 1:2 and a debt equity ratio of 1:2. The tax rate for the company is 40 per cent.
(b) Compute the equity beta of a security when the asset beta is 2.4. The debt equity ratio is 4:1 and the tax rate is 45 per cent.
4. (a) How do you analyse industry risk?
(b) How is the performance of an industry to be assessed for investment purposes.
5. Use the Sharpe Index Model to select the best combination of securities for a portfolio. The risk free rate is 5% and market standard deviation is 20%.

Security	S1	S2	S3	S4	S5
Risk (Beta)	1.5	1.2	1.3	1.4	0.85
Return	12%	15%	10%	16%	8%
Error	20%	15%	12%	24%	22%