

Roll.No.

25PAFCT1003

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai - 600 044.

M.Com. A&F - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - I

25PAFCT1003 - Security Analysis and Portfolio Management

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. What are the factors influencing investment decisions?
2. (i) Calculate the future value of 10,000 invested today at 10% annual interest for 3 years compounded annually.
(ii) Calculate the present value of 13,310 receivable after 3 year if the discounted rate is 10% per annum.
3. Analyze the value of a 5 year 1,000 bond carrying a coupon rate of 8% per annum with interest payable annually. The required rate of return (market rate of interest) is 10% per annum. Determine the present value (price) of the bond.
4. Describe the importance of SEBI regulations in portfolio management.
5. Explain the Elliott Wave Principle.
6. Demonstrate the functions of a Portfolio Manager.
7. Explain the rules of stock investment.
8. Differentiate between risk-free and risky securities.

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Describe the importance and drawbacks of various financial instruments available to investors.
10. The following information for ABC Ltd.:
 - Earnings per share (EPS) : ₹15
 - Book Value per share : ₹120
 - Industry P/E ratio : 14
 - Company's P/E ratio : 10
 - Dividend : ₹8 per share

Compute the intrinsic value of the company's share using the P/E approach and analyze whether it is undervalued or overvalued compared to the industry.

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11. A company can either borrow ₹10,00,000 at 12% p.a. or lease equipment with annual payments of ₹2,80,000 for 5 years. Evaluate which financing option is better if the firm's cost of capital is 10%.
12. Assess the effectiveness of the Random Walk Theory in predicting security prices and portfolio returns.

II - Compulsory question (1 × 10 = 10 Marks)

13. Analyse the differences between CAPM and Arbitrage Pricing Model (APM) in terms of assumptions, applicability, and risk factors.
