



**SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT-534E7B**

**QUESTION BANK**

**PART -A (ONE MARK QUESTIONS)**

**UNIT -I**

1. Define investment?
2. What are the features of investment?
3. What is Gambling? Differentiate an investor from speculator
4. What are the two major types of information necessary for security analysis?
5. What are the features of preference shares?
6. Distinguish between real and financial assets
7. What is risk and return?
8. How is expected return calculated?
9. Define systematic risk and unsystematic risk.
10. What do you mean by hybrid security?
11. Distinguish between investing and speculation.
12. Why do so many types of equity securities exist?
13. What do you mean by pre-emptive rights?
14. Define investment. How it is different from gambling?
15. What are the objectives of investment?
16. Mention the different types of risk.
17. What is risk free rate of return?
18. Define security as per Security Contract regulation act.
19. Explain the features of equity shares.
20. Differentiate bonds and debentures.



# MEASI Institute of Management

21. Write the features of preference shares.
22. Define systematic risk and unsystematic risk.
23. Give five qualities required for successful investing.
24. What are the three components of an investor's required rate of return on an investment?
25. Write the difference between individual investor and institutional investor?
26. Define participatory notes ?
27. What is G-secs ?

## UNIT -II

1. Name any four market indices in Indian stock market
2. What is reverse book building?
3. Mention the current settlement system in NSE.
4. What do you mean by underwriting? What is preferential allotment?
5. What is demutualization of stock exchanges?
6. What is risk free asset?
7. Mention the rolling settlement in trading of securities.
8. What is oversubscription?
9. What is IPO?
10. What is the importance of IPO grading?
11. Who is depository participant?
12. What are the possible disadvantages of limits orders?
13. Define stop order
14. What is meant by Capital Market
15. Define book building
16. What is OCTEI and how it is different from other stock exchanges?



# MEASI *Institute of Management*

17. Differentiate primary market from secondary market.
18. Write the functions of primary market
19. What is insider trading?
20. What is an odd lot?
21. What are the parties involved in issue of shares in stock market?
22. What is Demat account? Name the depositories available in India.
23. What is Book building?
24. Identify the different types of security markets.
25. Compare BSE and NSE.
26. Name any four market indices in Indian stock market.
27. Define meaning of oversubscription.
28. What is SEBI
29. Define FPO
30. Distinguish between capital market and money market.
31. What is new issue market?
32. Write any two differences between primary market and secondary market?
33. Mention the key players involved in primary market?
34. What is allotment of shares?
35. What is BOLT?
36. What is shares and stock?
37. What is ESG Stocks ?
38. Define Stop-loss
39. What do you mean by Fat finger trades
40. What is Circuit breaker



# MEASI *Institute of Management*

- 41. Define T+1 and T+2 settlement
- 42. What is Funding of Social Sector
- 43. What is Open interest volume and prices
- 44. Define Free float in listed companies
- 45. What is Algo trading
- 46. What is Block Chain Technology

## **UNIT -III**

- 1. What is fundamental analysis?
- 2. What is industry life cycle analysis?
- 3. What are Graham and Dodd's investor ratios?
- 4. What do you understand by fundamental approach to security analysis?
- 5. Define multiplier?
- 6. What is Market Equilibrium?
- 7. How is weighted value index computed?
- 8. Define the industry life cycle stages.
- 9. What is the importance of P/E ratio?
- 10. What is Value vs. Growth investing?
- 11. What is opportunistic building model?
- 12. What is Economic Forecasting?
- 13. Distinguish between historical return and expected return.
- 14. State the ratios listed by Graham and Dodd for value investing.
- 15. What is the quality of growth stocks? Give an example for growth stock
- 16. .What do you mean by leading and lagging indicators of the economy?
- 17. What are the mechanisms adopted by RBI to check liquidity?



# MEASI *Institute of Management*

18. What is fiscal policy?
19. Define GNP
20. What is competitive advantage?
21. What is balance of payment?
22. What is intrinsic value of a share?
23. What is par value?
24. What is book value?
25. Define economic analysis?
26. What is a coincidental indicator?
27. What is lagging indicator?
28. What is Ratio Analysis?
29. What is EPS?
30. Mention the different types of Industry?

## **UNIT -IV**

1. Differentiate fundamental analysis from technical analysis.
2. Mention the importance of Oscillators in technical analysis.
3. What are the three types of trends in stock prices
4. How is PE ratio used to interpret growth opportunities?
5. Define Moving Averages.
6. What are Line Charts?
7. How is moving average computed?
8. What is technical analysis?
9. Define RSI and its usage



# MEASI

## *Institute of Management*

10. What are the two major market indicators considered as a barometer of Indian capital market?
11. How do the leverage policies affect the company performances?
12. What do you mean by security market line?
13. Define efficient frontier?
14. What is Random Walk Hypothesis?
15. What are the various levels of market Efficiency?
16. What patterns helps us identify the trend reversal?
17. What do you mean by support level?
18. What do you mean by resistance level?
19. What oscillators indicate?
20. What is odd lot trading?
21. What is short sale?
22. What is trend reversal?
23. What is Beta?
24. Define ROC and its usage.
25. What is MACD
26. What are oscillators?
27. What is Dow jones theory?
28. Define breadth of Market?
29. What are minor and major trends?
30. What is Elliot wave's theory?



## UNIT -V

1. What is portfolio?
2. What is portfolio risk and return?
3. What is Markowitz model?
4. Define CAPM.
5. What is an index fund?
6. What is the difference between SML AND CML?
7. How Beta is computed using CAPM?
8. What do you mean by term AMC?
9. What do you mean by diversification?
10. Define constraints?
11. What is superfluous diversification?
12. State Jensen measure.
13. List out the ways in which Beta can be calculated.
14. Define NAV
15. What are formula plans?
16. What do you mean by risk aversion?
17. What is an open ended fund and closed ended fund?
18. What is gilt edged fund?
19. State Treynor's index.
20. What are the criteria for evaluation of portfolio?
21. What is portfolio revision?
22. What is portfolio selection?
23. What is portfolio construction?
24. Discriminate between sharpes and treynor Measure?



# MEASI Institute of Management

25. What is efficient frontier?

26. Define Optimum portfolio?

## **PART -B (FIVE MARK QUESTIONS)**

### **UNIT -I**

1. Explain the steps in Investment process?
2. Explain the concept of Systematic and Unsystematic Risk?
3. Explain the Characteristics of Investment.
4. Describe the tradeoff between Risk and Return in Investments
5. Describe the objectives of investment based on type of Investors
6. What factor should an Investor consider while making investment
7. Explain the relationship between risk and return?
8. Describe the various types of preference shares.
9. Distinguish between debentures and equity shares?
10. Distinguish between Investing and Speculating?

### **UNIT -II**

1. Discuss the trading system in stock exchanges.
2. Discuss the SEBI's Guidelines to the share trading.
3. Explain the structure of Indian Financial Market.
4. Discuss the major reforms in the India Capital Market.
5. Who are the key players involved in the new issues market.
6. Discuss the various ways in which an initial public offer can be made.
7. What are the objectives and functions of SEBI?
8. What are the salient features of NSE & BSE?
9. Write a note on book building process used to float new issues.





# MEASI *Institute of Management*

10. Discuss the major indices and how it helps investors?
11. Discuss the Efficiency of Automated Vis-à-vis floor trading system in the secondary Capital Market.
12. What is the role and development of OCTEI in the Indian capital market?
13. Explain the mechanics of stock trading
14. Elaborate the different stock valuation models.
15. Discuss the role of Private placements in raising resources in the primary capital Market?
16. What are the steps taken by SEBI to protect the investors in the secondary market?
17. Explain the factors which are taken into account when an investor decides to invest in the primary market
18. Elaborate on the importance of financial market.
19. What are the features and benefits of OTCEI?
20. Describe the Functions Of Stock Exchanges?
21. Explain the objectives of National Securities Depository Limited?
22. Compare the major indices and how it helps investors.

## **UNIT -III**

1. Explain the salient features you will take into account while doing fundamental analysis.
2. What are the macro economic factors would you consider before making investment decision



# MEASI *Institute of Management*

3. Explain some of the key ratios that you will be considering before investing in a stock.
4. Describe the different stages in the Industry Life Cycle?
5. How does ratio analysis reflect the financial health of a company?
6. Elucidate how company analysis is performed in Fundamental analysis.
7. Discuss Graham and Dodd's applied valuation techniques.
8. Discuss the key tools in company analysis.
9. Why would you expect a relationship between economic activity and stock price movements?

## **UNIT -IV**

1. What are the important points that you will be taking into account while doing Technical analysis?
2. Discuss about the technical analysis as a tool for security selection.
3. Distinguish between fundamental and technical Analysis in detail?
4. What are the premises of technical analysis?
5. How would you use ROC to predict the stock price movement?
6. Critically examine the Elliot wave Principle of stock market prediction.
7. What does the EMH imply for the use of technical and fundamental analysis?
8. Moving averages not only smoothens the data, but also predict the market.  
Discuss
9. How would you show your understanding on the Dow Theory with its criticisms?
10. Describe the various volume indicators in stock market.



## UNIT -V

1. Discuss the process of portfolio construction.
2. Explain the different stages involved in portfolio management.
3. Enumerate the various measures used for portfolio evaluation and explain how it is interpreted.
4. Explain the steps in portfolio constructions as per traditional approaches.
5. Develop a detailed account on the Markowitz's risk diversification
6. Narrate and analyze the short comings of CAPM model
7. Explain how the efficient frontier is determined using the Markowitz approach.
8. What are the strength and weakness of the Markowitz approach?
9. What are the basic assumptions of CAPM?
10. Explain the assumptions and principles underlying the portfolio theory.

## PART -C (TEN MARK QUESTIONS)

### UNIT -I

1. Explain the different types of investment alternatives available for a common investor with moderate risk taking capabilities?
2. Security analysis requires as first step the sources of information on the basis of which analysis is made. What are different types of information used for security analysis?
3. Discuss the different kinds of long term investment opportunities available for corporate investors with their pros and cons.
4. Explain with example how investment opportunities should be evaluated on the basis of risk-return trade off.



## UNIT -II

1. Discuss the recent policy initiatives and developments in the capital market in India.
2. Comment on the role played by the key players involved in the new issue market.
3. As a Consultant explain the mechanics of floating share in the new issue market.
4. Explain the role of SEBI in Securities market is indispensable- Comment
5. Explain the role, objectives, structure and function of SEBI?
6. Discuss the role of SEBI in regulating stock exchanges in India.
7. What are the SEBI guidelines on pricing of the security? Explain
8. Explain the different methods of floating new issues in the market.
9. Explain the objectives, function and structure of BSE and NSE?

## UNIT -III

1. As an analyst, discuss the concept of an industry lifecycle by describing each of its four phases'.
2. Enumerate the significance of economic forecasting in fundamental analysis.
3. Fundamental analysis provides an analytical frame work for rational investment decision - making". Explain.
4. Explain the structure of EIC framework to security analysis?



## **UNIT -IV**

1. Explain 'Dow Theory'. How can it be used to determine the direction of the stock market?
2. Explain Efficient Market Hypothesis in its various forms and state its assumptions and uses.
3. Describe the chart patterns which help in identifying trend reversal.
4. Chart patterns are helpful in predicting the stock price movement comment?
5. Explain the traditional and modern methods of stock price movement?

## **UNIT -V**

1. Develop a detailed account on the Markowitz's risk diversification
2. Examine how CAPM model finds its usefulness in portfolio management.
3. Explain the Security Market Line with the help of a diagram. How does it differ from the Capital Market Line?
4. Distinguish between CAPM and Arbitrage pricing theory.