

MAY 2011

P/ID 6024/MEG

Time : Three hours

Maximum : 80 marks

PART A — (8 × 5 = 40 marks)

Answer any EIGHT questions.

1. Explain the objectives of investment.
2. How do you value fixed income securities?
3. Explain meaning and calculation of P/E ratio.
4. Explain different sources of risk.
5. Discuss any three factors influencing dividend policy of a firm.
6. Explain the calculation of combined leverage.
7. How do you classify industry?
8. Explain chart and patterns.
9. What do you mean by aggressive policy?
10. What are all the techniques of revising the portfolio?

11. Differentiate between fundamental and technical analysis.
12. Bring out limitations of CAPM.

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

13. Discuss in detail different techniques of economic forecasting.
14. Explain various theories of dividend policy of a firm.
15. Explain the various portfolio revision techniques.
16. What is efficient frontier? What is into significance portfolio selection?
17. Explain different technical analysis modes.
18. What is the expected return to a portfolio composed of the following securities?

Security	Expected Return (per cent)	Proportion (per cent)
A	10	20
B	15	20
C	20	60