



PRACTICE SET
End Semester Examination, December, 2025

Program: BBA

Semester: V

Subject: Investment Analysis and Portfolio Management

Subject Code: 11CCDE304

Course Learning Objective:

The Objective of the course are classified as follows: -

CLO 1: To help the student understand the basics of the Investment Environment & Financial Markets.

CLO 2: To help the students comprehend the functionalities of Securities Market and its Components.

CLO 3: To provide the students with the conceptual foundation about portfolio theory, CAPM, APT, and bond portfolio strategies for effective investment decision-making

CLO 4: To develop skills in portfolio evaluation, revision, and mutual fund management.

Course Outcome:

On completion of the Course, the students will be able to:

CO 1: Demonstrate a basic understanding of investments and asset classes available for investment in the Financial Market.

CO 2: Exhibit the acquaintance of the securities market and its constituents.

CO 3: Apply portfolio models and manage bond investments based on risk-return analysis.

CO 4: Analyze, and revise portfolios and assess mutual fund performance effectively.

UNIT-I

Questions for Five Marks

1. Briefly describe Online Share Trading and state two significant Advantages it offers to the modern investor. (CO 1, Unit-I, BTL-LOT, Understand)
2. Define the term 'Investment Environment' and list its key components. (CO 1, Unit-I, BTL-LOT, Remember)
3. Define Systematic Risk. Give two examples (CO 2, Unit-II, BTL-LOT, Remember)
4. Describe the concept of 'Penny Stocks.' How do they differ from Midcap stocks? (CO 1, Unit-I, BTL-LOT, Understand)
5. What do you mean by credit rating? Name the three-credit rating agency. (CO 2, Unit-I, BTL-LOT, Remember)
6. Who are the key participants and agencies involved in the Secondary Market? (CO 2, Unit-I, BTL-LOT- Remember)
7. Briefly explain the role of SEBI concerning the regulation of Secondary Markets (CO 2, Unit-I, BTL-LOT, Understand)
8. Describe the importance of a security market index. How can it be used by investors to gauge market performance? (CO 2, Unit-I, BTL-LOT, Understand)
9. What do you mean by intrinsic value? How is it determined? (CO 2, Unit-II, BTL-LOT, Understand)
10. How can Porter Model be used in Industry Analysis? (CO 2, Unit-II, BTL-HOT, Analyze)
11. Define ratio analysis in the context of company analysis. Discuss at least two important financial ratios and what they indicate about a company's financial health. (CO 2, Unit-II, BTL-LOT, Apply)
12. Explain the significance of Economic Analysis within the framework of Fundamental Analysis (CO 2, Unit-II, BTL-HOT, Understand)
13. Explain the concept of industry analysis. Why is it essential for investors to conduct an industry analysis before investing in a specific company? (CO 2, Unit-II, BTL-LOT Apply)
14. Briefly discuss the implications of Moving Averages on investment decisions (CO 2, Unit-II, BTL-HOT, Understand)
15. Explain the process of bond immunization as a bond portfolio management strategy. (CO3, Unit-III, BTL- LOT, Understand)
16. Discuss the impact of change in interest rate & inflation rate on bonds. (CO 3, Unit-III, BTL- HOT, Analyze)
17. Explain the objective of the Capital Asset Pricing Model (CAPM) (CO 3, Unit-III, BTL- LOT, Remember)
18. Bring out the difference between Efficient Frontier & Efficient Portfolios. (CO3, Unit-III, BTL-LOT, Apply)

19. What do you mean by portfolio revision? (CO 4, Unit-IV, BTL-LOT, Remember)
20. Explain the benefits of mutual funds to the investors? (CO 4, Unit-IV, BTL-LOT, Remember)
21. List two standard metrics used for the performance evaluation of portfolios (CO 4, Unit-IV, BTL-LOT, Understand)
22. What do you mean by Assets Management Company? (CO4, Unit-IV, BTL-LOT, Remember)
23. What do you understand by portfolio management services? (CO4, Unit-IV, BTL-LOT, Remember)

Question for Ten Marks

24. The investment process starts with series of activities including policy formulation. Discuss? (CO 1, Unit-I, BTL- HOT, Analyze)
25. Critically analyze the factors influencing the selection of investment alternatives by a typical retail investor. (CO 1, Unit-I, BTL- HOT- Analyze)
26. How does the classification of stocks (Small Cap, Large Cap, Midcap) influence an investor's risk profile and strategy? (CO 1, Unit-I, BTL- HOT, Analyze)
27. Identify and elaborate on five Factors Influencing the Selection of Investment Alternatives. How do these factors help the investor manage risk? (CO1, Unit-I, BTL- LOT, Remember)
28. What are the main differences between weak form, semi-strong, and strong form market efficiency? Give examples of how each form influences investment strategies. (CO2, Unit-II, BTL- HOT, Analyze)
29. "Explain the concept of measures of relative value. How do these measures assist investors in comparing investment opportunities across different companies? (CO2, Unit-II, BTL- HOT, Evaluate)
30. Analyze the impact of macroeconomic indicators on investment decisions. Choose at least two indicators and explain how they affect investor sentiment. (CO2, Unit-II, BTL- HOT, Analyze)
31. Discuss the predictive power of Technical Analysis. Evaluate the efficacy of using charts, graphs, and moving averages in isolation versus using them to supplement Fundamental Analysis (CO2, Unit-II, BTL- HOT, Evaluate)
32. Analyze the limitations of CAPM and how the Arbitrage Pricing Theory (APT) attempts to address these limitations (CO 3, Unit-III, BTL-HOT, Analyze)

33. “Diversification reduces the unsystematic risk or unique risk but cannot reduce systematic or un-diversifiable risk”, focusing over the statement discuss the Markowitz Model. (CO3, Unit-III, BTL-HOT, Analyze)
34. Compare and contrast active versus passive bond portfolio management strategies. What are the advantages and disadvantages of each approach? (CO3, Unit-III, BTL-HOT, Analyze)
35. Analyze the operational structure of Asset Management Companies (AMCs) and their role in channeling investor funds (CO 4, Unit-III, BTL-HOT, Analyze)
36. Outline the steps involved in the portfolio investment process. How can investors align their portfolios with their financial goals? (CO 4, Unit-III, BTL-HOT, Evaluate)
37. Compare and evaluate the performance of a balanced fund versus a growth fund over a five-year period, based on hypothetical risk-adjusted returns (CO 4, Unit-IV, BTL-HOT, Analyze)
38. What are benchmark portfolios? How are they used to evaluate the performance of a portfolio manager? (CO 4, Unit-IV, BTL-LOT, Apply)
39. Why do portfolios need periodical revisions? What are the two portfolios revision strategies? (CO 4, Unit-IV, BTL-LOT, Apply)

Question for Twenty Marks

40. Critically evaluate the advantages and disadvantages of Online Share Trading compared to traditional methods, especially considering risk management and access to information (CO 1, Unit-I, BTL-HOT, Evaluate)
41. Given below are the monthly closing prices of M/s Infotech Ltd for the year 2022

	Rs
January	1325
February	1310
March	1340
April	1355
May	1375

June	1430
July	1470
August	1495
September	1510
October	1500
November	1480
December	1430

Using the above data, you are required to prepare a six-month Exponential Moving Average for a period July to December. (CO2, Unit-II, BTL-HOT, Evaluate)

42. How are multiple year holding stock prices estimated with two stage and three stage growth models? Illustrate (CO 2, Unit-II, BTL-HOT Apply)

43. Explain the Arbitrage Pricing Theory (APT) in depth. How does APT offer a more flexible approach to risk and expected returns compared to the single-factor model of CAPM. (CO 3, Unit-III, BTL-HOT Analyze)

44. On request of an investor who holds two stocks A & B, an analyst prepared ex ante probability distribution for the possible economic scenarios and the conditional returns for the two stocks and the market index are given below: (CO3, Unit-III, BTL-HOT, Evaluate)

Economic Scenario	Probability	Return% A	Return% B	Return% Market
Growth	0.40	25	10	18

Stagnation	0.30	10	15	13
Recession	0.30	-5	-8	-3

The risk-free rate during the next year is expected to be around 11%. Calculate the alpha of stock A & B

45. Consider the following prices of a stock during January 2009 and January 2010

Trading Days	January 2009	January 2010
1	130	500
2	133	492
3	133	472
4	139	460
5	139	416
6	141	392
7	142	430
8	141	392
9	144	416

Based on the above prices, test for the weak form of market efficiency using auto correlation test and comment on the result. (CO2, Unit-II, BTL-HOT, Evaluate)

46. Develop a detailed procedure for selecting the optimal mutual fund for a young professional investor seeking long-term growth. Justify the performance evaluation criteria you would prioritize. (CO 4, Unit-IV, BTL-HOT, Analyze)

47. Evaluate the various methods and metrics used for the performance evaluation of investment portfolios (e.g., Sharpe, Treynor, Jensen measures). Which metric is most robust, and under what conditions (CO 4, Unit-IV, BTL-HOT, Evaluate)?

Summary Sheet:

CO Wise:

CO	Question NO.	Marks
CO1	1,2,4,24,25, 26,27, 40,	75
CO2	3,5,6,7,8, 9,10,11,12,13,14, 28,29,31, 41,42, ,45	145
CO3	15,16,17,18,30,32,33,34,43,44	100
CO4	19,20,21,22,23,35,36,37,38,39,46,47	115

Unit Wise:

Unit	Question No	Marks
I	1,2,4,5,6,7,8,24,25,26,27,40	95
II	3,9,10,11,12,13,14,28,29,30,31,41,42,45	135
III	15,16,17,18,32,33,34,35,36,43,44	110
IV	19,20,21,22,23,37,38,39,46,47	95

Blooms Taxonomy Level (BTL) Wise:

BTL	Question No	Marks
LOT	1,2,3,4,5,6,7,8,9,11,13,15,17,18,19,20,21,22,23,27,38,39	125
HOT	10,12,14,16,24,25,26,28,29,30,31,32,33,34,35,36,37,40,41,42,43,44,45, 46,47	310

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Disclaimer: - This is a Practice Set. The Question in End term examination will differ from the Practice set. This Practice set is meant for practice only.

