



**PRACTICE SET**  
**End Semester Examination, December, 2025**

**Program: MBA**

**Semester: III**

**Subject: Investment Analysis and Portfolio Management**

**Subject Code: 11.621.6**

**Course Learning Objective:**

CEO 1: Develop a basic understanding of the Investment Environment & Financial Markets

CEO 2: Comprehend the functionalities of Securities Market and its Components

CEO 3: To provide conceptual foundation for the purpose of undertaking Investment analysis for securities

CEO 4: To develop ability to analyze, value and forecast the securities performance using various models

CEO 5: Develop ability to efficiently select assets, manage risk and construct optimal portfolios.

**Course Outcome:**

On the 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 knowledge gained to perform analysis of various securities

CO 4: Analyze, value and forecast the securities performance using various models

CO 5: Construct optimal portfolios and evaluate those using models

## UNIT-I

### Questions for Five Marks

1. “Without adequate information investor cannot carry out his investment program.”  
Comment. (CO 1, Unit-I, BTL-LOT, Apply)
2. Define the core objectives of Investment Management for an individual investor. (CO 1, Unit-I, BTL-LOT, Understand)
3. Correlate the linkages between Domestic & Global Stock Market (CO 2, Unit-I, BTL-LOT, Apply)
4. Market interest rates and debenture prices are inversely related. Comment. (CO 1, Unit-I, BTL-LOT, Apply)
5. What do you mean by credit rating? Name the three-credit rating agency. (CO 2, Unit-I, BTL-LOT, Remember)
6. Explain the fundamental differences in structure and trading between Exchange markets and Over-The-Counter (OTC) markets (CO 2, Unit-I, BTL-LOT, Apply)
7. Explain the concept of capital market reforms. How can these reforms contribute to investor confidence? (CO 2, Unit-I, BTL-LOT, Apply)
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 3, Unit-II, BTL-LOT, Understand)
10. How can Porter Model be used in Industry Analysis? (CO 3, 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 3, Unit-II, BTL-LOT, Apply)
12. Do you think that knowing the current status of economy is useful in analyzing stock market movements? Justify (CO 3, Unit-II, BTL-HOT, Analyze)
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 3, Unit-II, BTL-LOT Apply)
14. Explain the Dow Theory. Is it applicable in determining the direction of the stock Market? (CO 3, Unit-II, BTL-HOT, Analyze)
15. Briefly discuss the various Bond Management Strategies. (CO4, Unit-III, BTL- LOT, Understand)
16. Discuss the impact of change in interest rate & inflation rate on bonds. (CO 4, Unit-III, BTL- HOT, Analyze)

17. Define Markowitz diversification and also explain the statistical method used by Markowitz to reduce the risks (CO 4, Unit-II, BTL-LOT, Understand)
18. What is the fundamental concept of the "random walk" theory, and how does it relate to technical analysis? (CO 4, Unit-III, BTL-LOT, Apply)
19. What do you mean by portfolio revision? (CO 5, Unit-IV, BTL-LOT, Remember)
20. Define the Net Asset Value (NAV) of a Mutual Fund and explain why its calculation is crucial for investors.? (CO 5, Unit-IV, BTL-LOT, Remember)
21. Discuss the various techniques to evaluate the performance of portfolio? (CO 5, Unit-IV, BTL-LOT, Apply)
22. What do you mean by Assets Management Company? (CO 5, Unit-IV, BTL-LOT, Remember)
23. What do you understand by portfolio management services? (CO 5, 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. Discuss the investment vehicles available to individuals in India. Compare on basis of investment objectives. (CO 1, Unit-I, BTL- HOT, Analyze)
26. Do you consider SEBI as an effective regulator of capital market? Comment. (CO 2, Unit-I, BTL- HOT, Analyze)
27. Critically analyze the impact of Capital Market Reforms on the organization and functioning of exchange markets and electronic markets in India.? (CO2, Unit-I, BTL- HOT, Analyze)
28. The semi-strong form of the Efficient Market Hypothesis (EMH) states that current market prices reflect all publicly available information. Analyze the implications of this form for the effectiveness of Fundamental Analysis. (CO 3, Unit-II, BTL- HOT, Analyze)
29. Explain the procedure for Company Analysis, emphasizing the key role of financial analysis and the utility of various ratio analyses in determining a company's investment worth. (CO 3, Unit-II, BTL- HOT, Analyze)

30. Analyze the impact of macroeconomic indicators on investment decisions. Choose at least two indicators and explain how they affect investor sentiment. (CO 3, Unit-II, BTL- HOT, Analyze)
31. Compare and contrast the underlying philosophy and practical application of Dow Theory versus Charting and Price Patterns as techniques of Technical Analysis. (CO 4, Unit-II, BTL- HOT, Analyze)
32. Discuss the assumptions of the CAPM. How do these assumptions impact the relevance and applicability of the model in real-world scenarios? (CO 4, Unit-IV, 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. (CO 4, 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? (CO 4, Unit-III, BTL-HOT, Analyze)
35. Compare & contrast the traditional approach and modern approach of portfolio constructions? (CO 5, 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 5, Unit-III, BTL-HOT, Evaluate)
37. Write a critical note on different Mutual Fund schemes in India. In your view which scheme is advantageous one to the Investor? (CO5, Unit-IV, BTL-HOT, Evaluate)
38. What are benchmark portfolios? How are they used to evaluate the performance of a portfolio manager? (CO 5, Unit-IV, BTL-LOT, Apply)
39. Why do portfolios need periodical revisions? What are the two portfolios revision strategies? (CO5, Unit-IV, BTL-LOT, Apply)

#### **Question for Twenty Marks**

40. Evaluate the effectiveness of credit rating agencies in influencing investment decisions. What are the potential consequences of their ratings on the securities market, and how do they impact investor trust? (CO 2, Unit-I, BTL-HOT, Evaluate)
41. Given below are the values of the BSE National Index for 20 trading days:

Day	Value	Day	Value
1	424	11	417
2	422	12	418
3	436	13	427
4	415	14	431
5	411	15	430
6	433	16	419
7	417	17	417
8	422	18	425
9	423	19	412
10	409	20	408

Using the above data, you are required to prepare a Exponential Moving Average for the 20 Day period. Assume that the 300-day Simple Moving Average line on the first day is 390. (CO 4, Unit-II, BTL-HOT, Evaluate)

42. Analyze the statement: "While Fundamental Analysis determines the true economic worth of a security, only Technical Analysis provides actionable trading signals." In light of this perspective, critically examine how a portfolio manager should integrate the concepts of ratio analysis, industry analysis, and technical tools to maximize returns and manage risk effectively in a market that is only weak-form efficient. (CO 3, Unit-II, BTL-HOT, Evaluate)

43. Assume that you have the following information about XYZ Ltd. (CO 4, Unit-III, BTL-HOT, Evaluate)

Earnings per share	Rs 17.5
Payout ratio in first five years	30%
Payout ratio after first five years	75%
Growth rate for first five years	15%
Growth rate after five Years	21%
Required rate of return	27%

Calculate Price earnings ratio.

ii) Find out the P/BV ratio for the high growth firm.

Return on Equity	18%
Payout Ratio in first five Years	25 %
Payout Ratio after Five Years	52%
Growth rate per first Five years	17 %
Growth rate after Five years	9 %
Required rate of return	15 %

44. Given below is the ex-ante probability distribution for the possible economic scenarios and the conditional returns for the stock and the market index: (CO5, Unit-III, BTL-HOT, Evaluate)

Economic Scenario	Probability	Return%	Return%
		A	Market
Growth	0.30	20	13
Stagnation	0.40	8	7
Recession	0.30	-9	-4

The risk-free rate during the next year is expected to be around 8%. Calculate the Beta & alpha of stock A

45. Consider the following prices of a stock during January 2020 and January 2021

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. (CO 4, Unit-II, BTL-HOT, Evaluate)

46. A new growth-focused mutual fund is being launched. Create a strategic document outlining its initial operating structure and subsequent evaluation plan. Specifically:

a) Develop a classification strategy for the fund, justifying the chosen structure and objective (e.g., open-ended vs. closed-ended; growth vs. income) based on perceived market needs. (5 Marks)

b) Construct a step-by-step procedure for the periodic calculation of the Net Asset Value (NAV) of the Fund, including all required inputs and timing. (5 Marks)

c) Synthesize a performance benchmark evaluation system that integrates both Treynor's measure (to assess systematic risk management) and Jensen's measure (to quantify alpha.) (10 Marks) (CO 5, Unit-IV, BTL-HOT, Create)

47. a. Given below are the historical performance information on the capital market and a mutual fund. (CO 5)

<b>Year</b>	<b>Mutual Fund Return (%)</b>	<b>Mutual Fund Beta</b>	<b>Return on Market Index (%)</b>	<b>Return on Govt. Securities (%)</b>
1	16.85	1.32	14.31	4.35
2	11.20	1.27	18.95	3.85
3	21.00	1.25	14.50	6.15
4	10.18	1.10	9.25	7.50
5	17.65	0.95	20.00	6.00

Calculate the risk adjusted return measures for the following Mutual Funds using Jensen's Index and suggest the scheme to the investor. (CO 5, Unit-IV, BTL-HOT, Evaluate)

### Summary Sheet:

### CO Wise:

<b>CO</b>	<b>Question NO.</b>	<b>Marks</b>
<b>CO1</b>	<b>1,2,4,24,25</b>	<b>35</b>
<b>CO2</b>	<b>3,5,6,7,8,26,27,40</b>	<b>65</b>
<b>CO3</b>	<b>9,10,11,12,13,14,28,29,30,42</b>	<b>80</b>
<b>CO4</b>	<b>15,16,17, 18, 31,32,33,34,41, 43,45</b>	<b>120</b>
<b>CO5</b>	<b>17, ,19,20,21,22,23,35,36,37,38,39,44,46,47</b>	<b>135</b>

### Unit Wise:

<b>Unit</b>	<b>Question No</b>	<b>Marks</b>
<b>I</b>	<b>1,2,3,4,5,6,7,8,24,25,26,27,40</b>	<b>100</b>
<b>II</b>	<b>9,10,11,12,13,14,17,28,29,30,31,41,42,45</b>	<b>135</b>
<b>III</b>	<b>15,16, 18,33,34,35,36,43,44</b>	<b>95</b>
<b>IV</b>	<b>19,20,21,22,23,32,37,38,39,46,47</b>	<b>105</b>

**Blooms Taxonomy Level (BTL) Wise:**

<b>BTL</b>	<b>Question No</b>	<b>Marks</b>
<b>LOT</b>	<b>1,2,3,4,5,6,7,8,9,11,13,15,17,18,19,20,21,22,23,27,38,39</b>	<b>125</b>
<b>HOT</b>	<b>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</b>	<b>310</b>

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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.