

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination (Online) – December, 2020

Program: BCom (Hons)
Subject/Course: Investment Analysis and Portfolio Management
Course Code: FINC3014

Semester: V
Max. Marks: 100
Duration: 3 Hours

Section A

1. Each question carries 5 marks.
2. Instructions- Select the correct answers.

S No	Question	CO
Q1	Which of the following is not among the asset classification A) Physical assets B) Real assets C) Financial assets D) Intangible assets	CO1
Q2	Which of the following is not the assumption of CAPM A) Risk averse investors B) Utility maximization C) No taxes D) Investors can't borrow at risk free rate.	CO1
Q3	Downside measure of portfolio risk focus only on the no profit no loss positions. A) True B) False	CO1
Q4	FAMA French model focuses only on the size and book to market value ratio. A) False B) True	CO1
Q5	With APT, it is possible for few stocks to be mispriced- not lie on SML A) False B) True	CO2
Q6	Which of the following is not studied under market movements. A. Trend identification B. Support level C. Resistance level D. CAPM	CO2

Section B		
<p>1. Each question carries 10 marks. 2. Instructions: Write short answers.</p>		
Q7	What is CAPM? Write the assumptions of CAPM.	CO2
Q8	Write the steps followed in the Monte Carlo simulations and mention the significance of Monte Carlo simulation for a portfolio manager.	CO2
Q9	Write the formulas to calculate the expected return and risk of a portfolio of two securities i.e. A and B.	CO3
Q10	Write the pay-offs from a call option and put option for both the buyer and seller of the options.	CO3
Q11	Draw a candlesticks, triple bottom, head & shoulder, and up-trend charts.	CO4
Section C		
<p>1. Each question carries 20 marks. 2. Show all the steps in calculating the required values until three decimal places.</p>		
Q12	<p>Doon Ltd. sold \$600 million of 100-year bonds with a yield to maturity of 5.5%. Assuming the bonds were sold at par and pay an annual coupon, by what percentage will the price of the bond change if its yield to maturity decreases by 2%? Increases by 4%? Increases by 5%?</p> <p style="text-align: center;">OR</p> <p>Part 1. Consider the following semi-annual bond: \$100 par value 7 years until maturity 9% coupon rate Price is \$1,08.50 What is the bond's yield to maturity?</p> <p>Part 2. Face value – ₹ 1000, Coupon – 10% paid annually, time to maturity – 6 years, Discount rate – 11%. Calculate the price of bond. (Show timeline and all calculations, please do not use the PV function in excel).</p>	CO4