

Dr. Babasaheb Ambedkar Open University
Term End Examination January - 2026

Course	: MBA	Date	: 03/03/2026
Subject Code	: MBA03EF303	Time	: 11:30am to 01:45pm
Subject Name	: Security Analysis & Portfolio Management (SAPM)	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1 Discuss the Investment/Portfolio Management Process. **14**

OR

Explain the factors affecting Investment Environment.

Q-2 Describe the advantage and disadvantages of using Fundamental analysis in investment decision making. **14**

OR

Explain in detail the qualitative factors affecting industry and company's fundamental analysis.

Q-3 Explain the Dow Theory and how is it used to determine the direction of the stock market. **14**

OR

What are the limitations of Capital Asset Pricing Model (CAPM) in real-world applications?

Q-4 Define Sharpe Index Model. Explain its characteristics and assumptions. **14**

OR

Explain different Factor models used in assets pricing.

Q-5 (A) Short notes (Any three) **09**

1. Difference between Investor and Speculator
2. Systematic Risk
3. Assumptions of the Efficient Frontier Model
4. Characteristics of Capital Asset Pricing Model (CAPM)
5. Challenges/Limitations of Arbitrage Pricing Theory (APT)

(B) Choose the correct option: **05**

1. Which of the following is a traditional form of investment in India?
(A) Crypto-currencies (B) Gold (C) Mutual Funds (D) Stock Options
2. What does a bear market indicate?
(A) Market prices are rising
(B) Market prices are falling
(C) The market is highly volatile
(D) The market is stable with no price movement
3. Technical analysts reflect the idea that stock prices:
(A) Move upward over time (B) Move inversely over time
(C) Move in trends (D) Move randomly
4. The point of tangency between risk returns indifference curves and efficient frontier highlights:
(A) Optimal portfolio (B) Efficient portfolio
(C) Sub-optimal portfolio (D) None of the above

5. How does the Sharpe Single Index Model aid in portfolio management?
- (A) By eliminating unsystematic risk
 - (B) By providing insights into asset-specific factors
 - (C) By assessing the risk-adjusted performance of assets
 - (D) By focusing solely on market returns
