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MBAS 305

Third Semester M.B.A. Degree Examination, March/April 2026

BUSINESS ADMINISTRATION

Investment Analysis and Portfolio Management

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any two** of the following questions. **Each** question carries **10** marks.

Answer to this question should **not** exceed **5** pages.

(2×10=20)

1. Explain the different investment opportunities available in Indian financial market.
2. Describe financial analysis and its techniques.
3. Define Markowitz diversification and also explain the statistical method used by Markowitz to reduce the risks.

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SECTION – B

Answer **any three** of the following questions. **Each** question carries **12** marks.

Answer to **each** question should **not** exceed **6** pages.

(3×12=36)

4. Explain the significance and process of industry analysis.
5. Discuss the Markowitz Theory of Portfolio Selection. How does Markowitz Theory help in planning an Investor's Portfolio ?
6. Find out the expected return of portfolio's A, B, C, D and E with standard deviation of 7, 5, 8, 6 and 4 respectively. The market standard deviation is 6 percent and market return is 16 percent. The risk free rate of return is 4 percent. Draw the capital market line and identify the portfolio which outperformed or underperformed market.

P.T.O.



7. The following information regarding the growth fund is available to an investor. Rank the mutual funds in the order of superior performance with help of Sharpe index and discuss it. Assume a risk free rate of return of 4 percent.

Fund	A	B	C	D	E	F
Return (%)	8	9	10	12	15	18
Standard Deviation (%)	15	20	30	25	38	34
Beta	0.67	1.21	1.30	1.05	1.52	1.90

8. The following are the returns of share Q and market P for the last six years.

Year	Return %	
	Q	P
2015	20	18
2016	12	9
2017	22	20
2018	-12	-14
2019	7	5
2020	14	10

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- Calculate the covariance and correlation coefficient of returns.
- Determine the beta coefficient for Q.
- What is P's total risk ? How much is systematic risk ?



SECTION – C
(Compulsory)

Answer to this question should **not** exceed **6** pages.

(1×14=14)

9. Mr. X who is going to retire from his job, wants to invest his gratuity and PF money in UTI Investment Management firm. You are approached by Mr. X wanting to place Rs. 10 Lakhs with UTI for your suggestion. The following data is available with respect to the UTI Mutual Fund, SBI Mutual Fund, Birla Sunlife Mutual Fund and the Market.

Particulars	Birla Sunlife	SBI	UTI	Market
Average rate of return	18	14	15	13
Standard Deviation	27	18	8	12
Coefficient of correlation	0.8	0.6	0.9	–

The risk free rate of return is 9%.

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You are required to :

- Rank the performance of the above portfolios using Sharpe's technique.
- Rank the performance of the above portfolios using Treynor's method.
- Suggest whether Mr. X should place the investment with UTI or not. Also compare the Sharpe and Treynor indices in order to find what is the risk Mr. X is going to face by investing in the UTI firm, and
- Which is the best portfolio ? If the Treasury bill rate is 9%, would it be possible to earn 12% return with standard deviation of 5% on UTI portfolio ?