MMS/M-20   **13053**
PORTFOLIO MANAGEMENT
FM-404

Time : Three Hours]   [Maximum Marks : 70

Note : Attempt *six* questions in all. Q. No. **1** is compulsory and each part of this carries 4 marks. Remaining questions are of 10 marks each.

1. (a) Difference between Beta and Standard deviation as measure of risk.

   (b) What factors necessitate portfolio revision ?

   (c) Distinguish between efficient portfolio and feasible portfolio.

   (d) How do you interpret α and β parameters in the Sharpe single index model ?

   (e) What are the key functions of professional money management companies ?

2. What do you understand by the term portfolio management ? What are the factors that a portfolio manager should keep in mind while deciding on investment ?

3. How is Markowitz Model useful in portfolio selection ? Illustrate your answer.

4. How does the Arbitrage Pricing Theory (APT) differ from the CAPM ? Which theory, in your view, holds better position to explain the expected returns on stocks ? Discuss in detail.

5. Write down a detailed note on valuation process adopted for valuation of alternative investments.

6. Discuss briefly :
(a)   SEBI guidelines on portfolio management
(b)   Objectives of investing in alternate asset classes.

7. What are different perspectives that can be adopted for the evaluation of risk adjusted performance of the investment activitity ? Discuss in detail Treynor and Jensen ratio.

8. Write briefly :
(a)   How is bond portfolio performance evaluated ?
(b)   What is role of Client data collections and analysis in wealth management ?

9. What is an asset allocation ? Also discuss the factors that need to be kept in mind to decide an asset allocation for a client.