

## SAPM TWO MARKS AND 16 MARKS

### UNIT I

1. Define Investment
2. Define economic investment and financial investment
3. What do you mean by speculation?
4. What do you mean by gambling?
5. Define Return and Risk.
6. What are the objectives of investment?
7. What is right share and bonus share?
8. What do you mean by Indenture?
9. What are the types of debenture?
10. What is partly convertible debenture
11. What is sinking fund?
12. What is zero coupon bonds?
13. What is capital indexed bond?
14. What is warrant and bond?
15. What are the sources of information for the investors?
  - a. International affairs,
  - b. National affairs
  - c. Industry information
  - d. Stock market information
16. What are money market instruments?
17. What is IVP and KVP?

### 16 mark QUESTIONS

1. What are the objectives of investment (refer ppt & study)
2. Process of investment (p.no 4) (refer ppt & study)
3. Types of securities (p.no 6) (refer ppt & study)
4. Investment alternatives (p.no.21) (refer ppt & study)
5. Problems based on standard deviation and expected return.
6. Explain the different types of risk in securities in detail.

### UNIT II

1. What are the main objectives of capital issue?
2. What is badla financing?

In common parlance the carry-forward system is known as 'Badla', which means something in return. Badla is the charge, which the investor pays for carrying forward his position. It is a hedge tool where an investor can take a position in a scrip without actually taking delivery of the stock.

3. What is the relationship between primary and secondary market?
4. Who are the parties involved in the new issue of share?
  - a. Managers to the issue
  - b. Registrar to the issue
  - c. Underwriters
  - d. Bankers to the issue
  - e. Advertising agents

5. Name the regulatory bodies related with the public issue
  - a. SEBI
  - b. Registrar of companies
  - c. RBI
  - d. Stock exchanges
  - e. Industrial licensing authorities
  - f. Pollution control authorities
6. What is private placement?
7. What is book building?
8. What are the factors to be considered by the investors?
9. What are the functions of stock exchange?
10. Explain OTEI and ISE.
11. What is insider trading?
12. Define Market Capitalization
13. Explain BOLT.
14. What do you meant by systematic risk?
15. What is interest rate risk and purchasing power risk?

#### 16 mark QUESTIONS

1. a) Explain SEBI, its objectives, functions, and roles of SEBI in primary and secondary market  
b) Methods of floating new issues
2. Who are the participants in financial market and explain the trading system in stock exchange.
3. Explain NSE, features, advantages and recent trends in NSE.
4. Explain BSE, feature, trading system, and the way of protecting the investors.
5. Explain OTCEI and ISE in detail.
6. Problems on calculating beta and alpha.(already u done assignment. Refer class note) (p.no.150)

#### UNIT III

1. What kind of fundamental analysis you will do for analyzing the intrinsic value of the share?
2. What is economic indicator?
3. What is economic forecasting?
4. What are the criteria is to be considering for selecting an indicators?
  - a. Economic significance
  - b. Statistical adequacy
  - c. Timing
  - d. Conformity
5. What is econometric model building?
6. How the industries can be classified on the basis of industry life cycle?
7. What are the stages in industry life cycle?
8. What are the factors to be considered for economic analysis?
9. What are the factors to be considered for industry analysis?
10. What is book value per share and liquidation value per share?
11. What is P/E ratio and P/S ratio?

#### 16 mark QUESTIONS

1. How will you perform Economic analysis
2. How will you perform Industry Analysis
3. How will you perform Financial analysis
4. How will you perform company analysis

#### UNIT IV

1. What is meant by flag and pennant? (Refer p.no.275 &276)
2. What is Inverted head and shoulder? (refer p.no.273)
3. Define odd lot trading and moving average. (Refer p.no.273)
4. What is the purpose of Indicator? (refer p.no.262)
5. What is short sale? (refer p.no.263)
6. What is breadth of the market? (Refer p.no.263)
7. What is oscillator? (Refer p.no.266)
8. Differentiate Technical Analysis from Fundamental Analysis.(refer p.no.257)
9. What do you meant by primary trend and secondary trend? (refer p.no.259 &260)
10. What is an efficient market.
11. Distinguish between a put and call option with examples
12. Define CML/SML. (P.NO.382)

#### 16 mark QUESTIONS

1. Explain the DOW THEORY and other technical tools. (p.no.258&267)
2. Discuss how the market indicators and chart patterns are used by chartist in arriving at buy/sell decisions. (refer p.no.262-277)
3. What do you mean by Efficient Market? Discuss the three level of market efficiency and the tests used to test them. (Refer p.no.283-290)
4. Write shortnotes on
  - a. Moving average
  - b. Oscillators
  - c. Odd lot trading.
  - d. Relative strength index

#### UNIT V

1. Write down the steps in traditional approach in portfolio construction. (refer p.no.320)
2. What are the common objectives of portfolio? (refer p.no.322)
3. How Markowitz approach differs from traditional approach? (refer p.no.324)
4. What is risk free asset and what is an efficient portfolio? (refer p.no.339 and p.no.336)
5. What do you meant by
  - a. Risk Avertor,
  - b. Risk neutral investor and
  - c. Risk seeking investor? (refer p.no.337)
6. What do you meant by constant rupee plan and constant ratio plan? (refer p.no.438&439)
7. What are the assumptions to be considered in CAPM theory? (refer p.no.379)
8. What is sharpe's performance index(refer p.no.412)

9. What is treynor's performance index(refer p.no.413)
10. What is jensons performance index. (refer p.no.416)
11. What do you meant by constant rupee plan and constant ratio plan? (refer p.no.438&439)
12. What do you meant by swap? (refer p.no.441)
13. What do you meant by indifference map and indifference curve? P.no.339

16 mark QUESTIONS

1. From the following

Nature	Probability	Annual Return (%)	
		L	M
1	0.2	-5	6
2	0.4	10	-2
3	0.3	-4	8
4	0.1	7	-9

- i. Find out the portfolio's return L and M
- ii. Find the return if Stock L constitutes 60% of the portfolio.
- iii. Analyze the risk by calculating variance and standard deviation. (Refer p.no342-343)

2. Briefly explain how the Sharpe ratio, Treynor's ratio and Jensen's Alpha are used to evaluate the performance of any portfolio. (Refer p.no.412 onwards)

or

problems based on these model

3. Explain portfolio Markowitz model

Or problems based on model (PNO. 331)

4. Define CAPM theory and explain it in detail.

5. Advantages of mutual fund (8 marks) (p.n0.412)

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