Enrollment No: ______________________ Exam Seat No:______________________

C.U.SHAH UNIVERSITY

Winter Examination-2015

Subject Name : FINANCIAL SERVICES

Subject Code : 5MCO2FSE5 Branch :M.COM

Semester : 2 Date : 21 / 12 / 2015 Time :10:30 To 1:30 Marks : 70

Instructions:

(1) Use of Programmable calculator and any other electronic instrument is prohibited.
(2) Instructions written on main answer book are strictly to be obeyed.
(3) Draw neat diagrams and figures (if necessary) at right places.
(4) Assume suitable data if needed.

SECTION – I

Q-1 **Attempt the Following questions (1 Mark *7=7) (No MCQ Questions)** **(07)**

a. Define portfolio management.
b. Give name of various phase of portfolio management.
c. What do you mean by risk?
d. How many types of risk are there? Give name.
e. Total risk is sum of____and_____?
f. What do you mean by diversification?
g. Singal index model is also known as_______?

Q-2 **Attempt all questions** **(14)**
a) Explain portfolio management and discuss its objective.
b) Discuss various phase of portfolio management.

OR

Q-2 **Attempt all questions** **(14)**
a) Describe importance of portfolio management.
b) What do you mean by portfolio analyses? Why portfolio analyses is needed?

Q-3 **Attempt all questions** **(14)**
a) Discuss effect of diversification of security .
b) Discuss Markowitz model in detail.

OR

Q-3 **a)** Discuss signal index model in detail.
b) Explain capital market line and security market line in detail.

SECTION – II

Q-4 **Attempt the Following questions (A TO G)** **(07)**

- **a.** Who introduced single index model?
- **b.** The line formed by action of all investors mixing the market portfolio with the risk free assets is known as_______?
- **c.** What is security market line?
- **d.** What do you mean by portfolio performance evaluation?
- **e.** What are the portfolio evaluation criteria?
- **f.** What do you mean by portfolio construction?
- **g.** Give the name of techniques used for portfolio construction.

Q-5 **Attempt all questions** **(14)**

- **a)** Explain risk free lending and borrowing.
- **b)** Explain arbitrage pricing theory with example.

OR

Q-5
- **a)** Explain two factor and multi factor models.
- **b)** Explain efficient market hypotheses theory.

Q-6 **Attempt all questions** **(14)**

- **a)** What do you mean by portfolio construction? Explain technique of portfolio construction.
- **b)** Discuss in detail portfolio performance evaluation.

OR

Q-6 **Attempt all Questions**

- **a)** Explain measurement of portfolio return and adjusted measures of portfolio evaluation.
- **b)** Explain the criteria of portfolio evaluation.