MBA, Semester IV Examinations, May 2018
Portfolio Management

Time: 3 Hours

Max. Marks: 80

Note: *Attempt five questions in all, selecting one question from each unit. All question carry equal marks.*

UNIT – I

Q. 1 What are the benefits of portfolio? Explain the process and problems of selection of a portfolio.

Q.2 Differentiate between traditional and modern approaches to portfolio management. Which of them is more appropriate for an investor? Classify?

UNIT – II

Q.3 Discribe the Markowitz Theory of portfolio management with regard to risk and return.

Q.4 The following table provides the information regarding the portfolio risk and return:

Portfolio	1	2	3	4	5
Expected return (%)	10	12	13	16	20
Standard deviation (%)	4	7	5	12	14

a) If the treasury bill rate is 5%, find the best portfolio.

b) Would it be possible to earn 12% return if the standard deviation is 4%?

UNIT - III

Q.5 Describe the Sharpe Single Index Model. How is it different from Markowitz Model?

Q.6 You are given the following data on return on security j (Rj) and return on market portfolio (Rm):

Rm (%)	4	0	-2	3	6	8	9
Rj (%)	6	-2	-4	6	10	12	14

Find the value of beta (β) for the security j.

UNIT - IV

Q.7 Explain the meaning, characteristics, explanation and limitations of Arbitrage Pricing Theory.

Q.8 How is the APT- equation formed? Take a hypothetical example and explain.

UNIT - V

Q.9 Explain the assumptions, advantages and disadvantages of formula plans. Also explain the constant ratio plan.

Q.10 Describe the following:

a) Passive and active strategies

b) Constraints in portfolio revision

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Project Management

Time: 3 Hours _____ Max. Marks: 80

Note: *Attempt five questions in all, selecting one question from each unit. All question carry equal marks.*

UNIT – I

Q. 1 Explain the benefits of preliminary screening which aspects should be considered in it?

Q.2 Which difficulties are generally faced in capital expenditure decisions? How can these difficulties be managed? Explain.

UNIT – II

Q.3 Describe the process, advantages and limitations of sample survey.

Q.4 Expected cash flows of a project are as given below:

Year	0	1	2	3	4	5
Cash flows (Rs.)	-10,00,000	1,00,000	2,00,000	3,00,000	6,00,000	3,00,000

Find the NPV of the project (i) if the discount rate is 14% and (ii) 10% for first year and rises 1% every year.

UNIT - III

Q.5 Explain major constraints in case of multiple projects. Also briefly explain the methods of Ranking the projects.

Q.6 As per UNIDO approach, how are tradable inputs and outputs, foreign exchange and savings valued?

UNIT - IV

Q.7 Various time estimates of the activities of a project are as given below:

Activity	1-2	1-3	1-4	1-7	2-4	2-6	2-7	3-4	4-5	5-6	3-7	6-7
t_o	4	3	5	2	6	3	5	3	2	1	2	1
t_m	6	7	6	4	10	4	9	7	3	3	5	2
t_p	10	12	9	6	20	7	15	12	4	6	8	6

Draw the network, identify the critical path and find project variance.

Q.8 Explain the objectives and benefits of project review. Also describe the procedure for determining whether a project should be continued, terminated or divested?

UNIT - V

Q.9 Explain the need for formation of groups in a project setting. How is an effective group formed? How do the various groups help in successful implementation of projects. Explain

Q.10 Describe the following:
a) Consortium Financing
b) Scope of environmental impact assessment