VIVEK COLLEGE OF COMMERCE

TYBBI SEM VI 2019-2020

SUBJECT: Security Analysis ans Portfolio Management

MCQ-SAMPLE QUESTIONS

SR No	QUESTION	OPTION A	OPTION B	OPTION C	OPTION D	CORRECT ANS
1	A portfolio consisting of security X, Y and Z with expected returns of 30%, 18% and 10% and	18%	13%	17%	20%	**18%**
2	Mr. X buys a share for Rs. 1000, gets a dividend of Rs. 40 per year for 2 years and Rs.45 per year for next 2 years,then sells it for Rs. 1100 after holding it for 50	30%	25%	27%	32%	**27%**
3	If the face value of the bond of 5 years maturity, is Rs.1000, issued at Rs.950 with a coupon rate of	11%	10.50%	10%	9.23%	**9.23%**
4	If the risk free return is 6% , beta of the security is 0.70, and market return is 13% then the expected return from the security using CAPM is ________	10%	10.90%	14%	15%	**10.90%**
5	If the expected return from a security using CAPM is 20% , risk free return is 10%, market return is 18%, then the beta of the security is ________	3.00	0.70	1.25	0.50	**1.25**
6	Most investors are ______ averse.	risk	profit	risk free	loss	**risk**

7	Construction of extra floors to factory building is an example of _____ investment.	Economic	Financial	group	Securities	**Economic**
8	_____ market line can also be said to be graphical representation of Markowitz mean variance model of portfolio construction.	Capital	Share	Equity	Portfolio Market	**Capital**
9	Markowitz theory of portfolio management is most concerned with _____.	active portfolio management for better returns	the identification of systematic risk	the elimination of systematic risk	the effect of diversification on portfolio risk.	**the effect of diversification on portfolio risk.**
10	Beta reflects the stock risk for investor which is usually _________________.	collective	individual	liner	weighted	**individual**