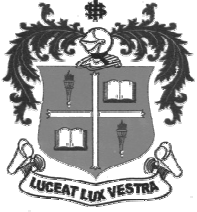


LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.A. DEGREE EXAMINATION – ECONOMICS

SIXTH SEMESTER – APRIL 2013

EC 6600 - PORTFOLIO MANAGEMENT

Date : 25/04/2013
Time : 1:00 - 4:00

Dept. No.

Max. : 100 Marks

PART – A

Answer Any **FIVE** questions in about 75 words each:

(5x4 = 20 marks)

1. What is portfolio diversification?
2. What are efficient portfolios?
3. What is currency swap?
4. What are derivatives? Give few examples.
5. Write a short note on the role of financial assets.
6. Distinguish between investment and speculation.
7. Distinguish between systematic risk and unsystematic risk.

PART - B

Answer any **FOUR** questions in about 300 words each:

(4x10 = 40 marks)

8. Explain the role of futures in financial markets.
9. When returns on individual securities in a portfolio are positively correlated, then variance of portfolio returns will be high. Elucidate.
10. Bring out the differences between options and futures contracts.
11. Explain different forms of market efficiency.
12. Explain Cootner's Model.
13. Discuss Binomial option pricing model.
14. Write a note on different types of swaps.

PART – C

Answer any **TWO** questions in about 900 words each:

(2 x 20 = 40 marks)

15. Explain Capital Asset Pricing Model.
16. Discuss Markowitz's theory of portfolio selection.
17. Explain Black-Scholes stock option pricing model.
18. Analyze Arbitrage Pricing Theory and compare it with Capital Asset pricing Model.

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