Maharashtra Education Society's
Institute of Management & Career Courses, Pune (Autonomous)
End Term Question Paper
AY 2025-26
Semester: III

Course Code: SC-FIN-03 **Course Name: Security Analysis Portfolio Management**
Time: 2 hours 30 mins **Total Marks: 50**
Instructions:

i. **Q1 and Q2 are compulsory**
ii. **From Q3 solve any 2.**

Question No. 1: Apply the concept of portfolio management to suggest how a risk-averse investor and a risk-seeking investor would select different types of portfolios.
[10Marks]

Question No. 2: Analyze the differences between fundamental analysis and technical analysis in terms of data used, time horizon, and applicability for different types of investors.
[10 Marks]

Question No. 3: Solve any Two of below (15 marks each) **[30 Marks]**

a) Evaluate whether traditional investment avenues (FDs, PPF, bonds) or modern investment avenues (mutual funds, ETFs, equity portfolios) are better suited for today's volatile market environment. Create an optimal mix for a balanced investor.

b) Anjali, a young professional, has recently started earning and is keen on making her first investments. She wants to understand the difference between investment, speculation, and gambling before committing her savings. While some of her friends invest in shares and bonds (marketable assets), others prefer PPF and fixed deposits (non-marketable assets). Anjali also hears about mutual funds where a portfolio manager manages investments by diversifying risk. She wonders how diversification reduces portfolio risk and what process is followed in selecting an optimal portfolio that balances risk and return.

1) How should Anjali differentiate between investment, speculation, and gambling while making her decision?
2) If Anjali wants safety and liquidity, should she choose marketable or non-marketable financial assets? Why?
3) How can diversification help Anjali reduce risk in her portfolio?

c) Evaluate the limitations of the Markowitz Model in real-world portfolio construction. Propose a practical approach to overcome these limitations using modern portfolio techniques.