

M.Com. Part- II Examination, 2021 (DDE)

Subject : Commerce

(Paper 20: Portfolio Management)

Time: 2 Hours

Full Marks: 40

*The figures in the margin indicate full marks.
Candidates are required to give their answers in their own words
as far as practicable*

Answer any four of the following questions

10X4=40

1. Write a short note on Sharpe's Single Index Model. 10

2. Describe the procedure developed by Markowitz for choosing the optimal portfolio of risky assets. 10

3. "According to APT, in equilibrium the return on zero-investment, zero-systematic risk position will be zero." Discuss the above statement with the help of an example of two-factor arbitrage process. 10

4. Discuss the major contributing factors for the growth of financial derivatives. 10

5. Briefly discuss Sharpe's measure and Treynor's measure which are applied for performance evaluation of investment portfolio or mutual funds. 10

6. Derive the pay-off lines for the following:
 - (i) Holder of call option
 - (ii) Holder of put option (5+5)