

Sample Question Paper

Subject- Portfolio and Risk Management

Subject code 141

Note – This is a sample Question paper for student's exam reference only, might be pattern of paper can be change in actual examination.

Q.1 In a bearish phase, the prices are:-

1. Stable
2. Rising
3. Falling
4. Steady

Correct Answer :-

Falling

Q.2 As per studies conducted on Portfolio Management, for individuals, the risk return management is optimum for:-

1. 10-15 companies
2. 5-10 companies
3. 50-100 companies
4. 20-30 companies

Correct Answer :-

20-30 companies

Q.3 To find out relation between present value and future value, one has to take into consideration:-

1. a) Principal amount
2. b) Interest rate
3. c) Time factor
4. Both (b) and (c)

Correct Answer :-

Both (b) and (c)

Q.4 When investors go on acquiring assets on an ad-hoc and unplanned basis, it results into:-

1. a) High risk
2. b) Low return profile
3. c)Both (a) and (b)]
4. d)Long-term losses

Correct Answer :-

c)Both (a) and (b)

Q.5 The systematic risk is managed by the use of _____ of different company shares.

1. Beta
2. Alpha
3. Gamma
4. Delta

Correct Answer :-

Beta

Q.6 In a given situation, the variability of return can be in the range of:-

1. Zero to infinity
2. -1 to +1
3. 0 to +1
4. 0 to -1

Correct Answer :-

Zero to infinity

Q.7 Capital Asset Pricing (CAP) Theory states that the return on each security is related to the _____ inherent in that security.

1. a) Total risk
2. b) Market risk
3. c)Both (a) and (b)
4. d)Individual risk

Correct Answer :-

a) Total risk

Q.8 As per Trend Walk Theory, the investor buys those scripts, which others are also buying.

1. TRUE
2. FALSE

Correct Answer :-

TRUE

Q.9 When the risk is spread over a number of securities in the market, then the company-related risks are:-

1. Covered
2. Reduced
3. Eliminated
4. All of these

Correct Answer :-

All of these

Q.10 When Beta of a security is 1.5, it means:-

1. a) The security is more risky by 50 % than the market portfolio
2. b) The security is less security by 50 % than the market portfolio
3. c) It does not convey any meaning
4. d)Both (a) and (b)

Correct Answer :-

a) The security is more risky by 50 % than the market portfolio

Q.11 The risks are broadly classified under following categories:-

1. a) Systematic risk
2. b) Unsystematic risk
3. c)Both (a) and (b)
4. c)Methodical risk

Correct Answer :-

c)Both (a) and (b)

Q.12 The formula for calculating total income is:-

1. Income + price change
2. Income + rate of interest

3. Income + interest

]4. Income + price change + interest

Correct Answer :-

Income + price change

Q.13 The risk is measure by the _____ deviation dispersion of the actual from the expected or the mean of series.

1. a) Variance
2. b) Standard
3. c) Average
4. d) Both (a) and (b)

Correct Answer :-

d) Both (a) and (b)

Q.14 When an investors desires to have a real rate of return, which is substantially higher than the inflation rate, he has to invest in relatively:-

1. More risky areas of investments
2. More safe areas of investment
3. Known areas of investment
4. Well established companies

Correct Answer :-

More risky areas of investments

Q.15 From the data given in the following table, find out the weighted value of the portfolio?

Company	Proportion of portfolio	Betas of scrips
A	0.11	1.65
B	0.11	1.40
C	0.17	1.25
D	0.23	1.05
E	0.38	0.85

1. 1.1
2. 1.12
3. 1.15
4. 1.05

Correct Answer :-

1.1

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