



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore – 641 107

AN AUTONOMOUS INSTITUTION

Accredited by NAAC – UGC with 'A' Grade
Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

23BAT307 - Security Analysis and Portfolio Management

QUESTION BANK

2 MARK QUESTIONS

1. What is security analysis?
2. Define intrinsic value.
3. What is the difference between intrinsic value and market price?
4. What is risk in security analysis?
5. Explain the concept of a risk-free rate.
6. What is systematic risk?
7. Define unsystematic risk.
8. What is diversification?
9. What is Beta in security analysis?
10. Explain the Capital Asset Pricing Model (CAPM).
11. What is the Efficient Market Hypothesis (EMH)?
12. List the forms of market efficiency.
13. What is fundamental analysis?
14. What is technical analysis?
15. Define the Price-to-Earnings (P/E) ratio.
16. What is the dividend discount model (DDM)?
17. Explain margin trading.
18. What is short selling?
19. Define bond yield.
20. What is the yield curve?
21. Explain price-to-book ratio.
22. What is Return on Equity (ROE)?
23. Define Earnings Per Share (EPS).
24. What is dividend yield?
25. What is Return on Assets (ROA)?
26. Explain market capitalization.
27. What is liquidity in the context of securities?
28. Define Initial Public Offering (IPO).
29. What is a secondary market?

30. What is a stock index?
31. Define a portfolio.
32. What is asset allocation?
33. What is a mutual fund?
34. Define an Exchange Traded Fund (ETF).
35. What is market risk?
36. What is a hedge fund?
37. What is arbitrage?
38. What is Alpha in portfolio management?
39. Explain the Sharpe Ratio.
40. What is the Treynor Ratio?
41. Define Jensen's Alpha.
42. What is portfolio rebalancing?
43. What is Modern Portfolio Theory (MPT)?
44. What is a zero-coupon bond?
45. Define bond duration.
46. What is bond convexity?
47. Explain yield to maturity (YTM).
48. What is a convertible bond?
49. What is a callable bond?
50. Define a puttable bond.
51. What is a perpetual bond?
52. Explain a sovereign bond.
53. What is a junk bond?
54. Define a corporate bond.
55. What is a municipal bond?
56. What is credit default swap (CDS)?
57. Define foreign exchange risk.
58. What is currency hedging?
59. Explain interest rate risk.
60. What is default risk?
61. Define operational risk.
62. What is liquidity risk?
63. Explain business risk.
64. What is financial risk?
65. Define political risk.
66. What is a forward contract?
67. What is a futures contract?
68. Define an option contract.
69. What is a call option?
70. What is a put option?
71. What is strike price?
72. What is option premium?
73. Explain in-the-money option.

74. What is an American option?
75. What is a European option?
76. What is a swap contract?
77. Define an interest rate swap.
78. What is a currency swap?
79. Explain credit spread.
80. What is volatility?
81. Define historical volatility.
82. What is implied volatility?
83. What is a volatility index (VIX)?
84. What is portfolio insurance?
85. What is a structured product?
86. What is a market neutral strategy?
87. What is a leveraged buyout (LBO)?
88. Define merger arbitrage.
89. What is a spin-off?
90. What is a reverse merger?
91. What is a rights issue?
92. What is a bonus issue?
93. Define a stock split.
94. What is the ex-dividend date?
95. What is the record date for dividends?
96. Explain dividend payout ratio.
97. What is growth investing?
98. What is value investing?
99. Define momentum investing.
100. What is contrarian investing?
101. What is index investing?
102. What is a buy-and-hold strategy?
103. What is dollar-cost averaging?
104. What is tactical asset allocation?
105. What is strategic asset allocation?
106. What is behavioral finance?
107. Explain herd behavior in investing.
108. What is loss aversion?
109. Define the endowment effect.
110. What is anchoring in investment decisions?
111. What is confirmation bias?
112. What is a bull market?
113. What is a bear market?
114. Define market sentiment.
115. What is a financial bubble?
116. What is a market correction?
117. What is a stock market crash?

118. Define recession.
119. What is stagflation?
120. What is the role of a portfolio manager?
121. What is an investment adviser?
122. Define financial analyst.
123. What is the role of a stockbroker?
124. What is an investment banker?
125. What is private equity?
126. What is venture capital?
127. Define angel investing.
128. What is crowdfunding?
129. What is peer-to-peer lending?
130. What is a robo-advisor?
131. What is underwriting in an IPO?
132. What is book-building?
133. What is the role of a custodian?
134. What is dematerialization?
135. What is the role of SEBI?
136. What is insider trading?
137. Define market manipulation.
138. What is a stock exchange?
139. What is over-the-counter (OTC) trading?
140. What is algorithmic trading?
141. What is high-frequency trading (HFT)?
142. What is a circuit breaker in stock markets?
143. What is a stock market index?
144. What is Nifty 50?
145. What is S&P 500?
146. What is the Dow Jones Industrial Average?
147. What is a sector index?
148. What is a market capitalization-weighted index?
149. What is a price-weighted index?
150. What is index tracking?
151. What is a benchmark index?
152. What is a market anomaly?
153. What is the January effect?
154. What is the small-cap effect?
155. What is a technical indicator?
156. What is the moving average?
157. What is the Relative Strength Index (RSI)?
158. What is the MACD?
159. What is a candlestick chart?
160. What is a head and shoulders pattern?
161. What is a double top pattern?

162. What is Bollinger Bands?
163. What is stochastic oscillator?
164. What is Fibonacci retracement?
165. What is Dow Theory?
166. What is a stop-loss order?
167. What is a limit order?
168. What is a market order?
169. What is a day order?
170. What is a Good-Till-Canceled (GTC) order?
171. What is the bid-ask spread?
172. What is market depth?
173. What is a market maker?
174. What is a dark pool?
175. What is front-running in trading?
176. What is spoofing in stock markets?
177. What is the Volatility Index (VIX)?
178. What is active management?
179. What is passive management?
180. What is a Global Depositary Receipt (GDR)?
181. What is an American Depositary Receipt (ADR)?
182. What is tracking error?
183. What is window dressing in portfolio management?
184. What is the January barometer?
185. What is a cash cow in portfolio management?
186. What is an emerging market?
187. What is the equity risk premium?
188. What is excess return?
189. What is stress testing in portfolio management?
190. What is scenario analysis?
191. What is Monte Carlo simulation in finance?
192. What is a factor model in portfolio management?
193. What is Arbitrage Pricing Theory (APT)?
194. What is value-at-risk (VaR)?
195. What is conditional VaR?
196. What is financial leverage?
197. What is operational leverage?
198. What is a real estate investment trust (REIT)?
199. What is the Sharpe Ratio?
200. What is the Sortino Ratio?