

**G L Bajaj Institute of Management and Research.PGDM Institute**  
**PGDM Batch 2021 - 2023**  
**Academic Session 2021-22**  
**Quiz I**

Subject Name Security Analysis and Portfolio Management

Subject Code PGF-02

Name of Student

Maximum Marks: 20

Marks Obtained

**Course Outcome Covered**

Note:

1. Writing anything except Roll Number on Quiz paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.

2. There is no negative marking for wrong answer.

3. Tick mark the correct answer.

	<b>Course Outcome Covered</b>
1.A market participant has a time horizon of one week. He is typically: (a) A trader (b) An investor (c) A speculator (d) A gambler Answer: a	<b>CO-1</b>
2.Which one of the following is not one among the broad categories in which shares are classified into? (a) Speculative shares (b) Advancing shares (c) Cyclical shares (d) Income shares Answer: b	<b>CO-1</b>
3.Traditionally the cut off between short-term and long-term financial claims has been: (a) Three years (b) Five years (c) Six months (d) One year Answer: d	<b>CO-1</b>
4.Which one of the following factors is not behind the globalisation of financial markets? (a) Deregulation (b) Institutionalisation (c) Liberalisation. (d) Cartelisation Answer: d	<b>CO-1</b>
5.The most important decision in portfolio management is the: (a) Choice of the market (b) Choice of the instruments (c) Choice of the asset mix (d) Cost of the management Answer: c	<b>CO-1</b>

6. Investor performance in the long run may not depend on: **CO-2**  
(a) Maintaining composure  
(b) Sticking to a pattern  
(c) Patience  
(d) Diligence  
Answer: b
7. Fixed deposits mobilised by finance companies are regulated by: **CO-1**  
(a) RBI  
(b) Company Law Board  
(c) SEBI  
(d) Registrar of Companies  
Answer: a
8. Which one of the following is the most liquid? **CO-1**  
(a) National Savings Certificate  
(b) Kisan Vikas Patra  
(c) Public Provident Fund  
(d) Bank fixed deposit  
Answer: d
9. Nifty is a **CO-1**  
(a) Value weighted index  
(b) Equal weighed index  
(c) Price weighted index  
(d) Hybrid index  
Answer: a
10. Commercial Papers form part of  
(a) Bills limit  
(b) Working capital limit  
(c) LC limit  
(d) Guarantee limit  
Answer: b
11. Allotment of shares in a public issue is decided in consultation with: **CO-2**  
(a) SEBI  
(b) The stock exchange where the share will be listed  
(c) Registrar and Transfer Agents  
(d) Registrar of Companies in whose jurisdiction the Corporate office of the issuing firm falls  
Answer: b
12. The purpose of IPO rating is to assess the: **CO-2**  
(a) Investment attractiveness of the issue  
(b) Creditworthiness of the company  
(c) Fundamental strength of the company  
(d) Regulatory compliance of the company  
Answer: c
13. Preferential allotment of shares in India is given mainly to: **CO-2**  
(a) Promoters or friendly investors  
(b) Employees  
(c) Preference share holders  
(d) Reserved

Answer: a

14. Liquidity in a market is supplied by:

CO-2

- (a) Those placing active limit orders
- (b) Market makers
- (c) Jobbers
- (d) All the above

Answer: d

15. While matching orders for equity trading in NSE, which one of the following gets precedence over all the others?

CO-2

- (a) Time of the order
- (b) Price of the order
- (c) Size of the order
- (d) Both b and c

Answer: b

CO-1

16. Free float represents:

- (a) Promoters' non-strategic shareholding
- (b) Non-promoter non-strategic shareholding
- (c) Shareholdings by non-FIs and non-FIIs
- (d) Non-government shareholdings

Answer: b

17. Spot the odd member in the following group:

CO-1

- (a) PDAI
- (b) FIMMDA
- (c) AMFI
- (d) TRAI

Answer: d

18. The largest holders of G-secs in India are:

CO-1

- (a) Insurance companies
- (b) FIIs
- (c) Banks
- (d) Provident funds

Answer: c

19. If you are doing a reverse repo, you:

CO-2

- (a) Lend the securities
- (b) Borrow the securities
- (c) Pledge the securities
- (d) Auction the securities

Answer: b

20. A market participant has a time horizon of one year. He is typically:

CO-2

- (a) A trader
- (b) An investor
- (c) A speculator
- (d) A gambler

Answer: b

21. If you are doing a repo, you:

CO-1

- (a) Lend the securities
- (b) Borrow the securities

(c) Pledge the securities  
(d) Auction the securities  
Answer: a

22. Treasury Bills form part of **CO-1**  
(a) Money market Instrument  
(b) Capital Instrument  
(c) Equity Market  
(d) Bond Market  
Answer: a

23. Equity Shares form part of **CO-1**  
(a) Money market Instrument  
(b) Capital Instrument  
(c) Bond Market  
(d) None of the above  
Answer: b

24. Bond is a type of **CO-1**  
(a) Money market Instrument  
(b) Capital Markets Instrument  
(c) Hybrid Instrument  
(d) None of the above  
Answer: b

25. IPO is an example of **CO-2**  
(a) Money market  
(b) Capital Market  
(c) Primary Markets  
(d) Secondary Markets  
Answer: c

26. Mutual Fund is an example of **CO-2**  
(a) Money and Primary market Instrument  
(b) Capital and Primary Market Instrument  
(c) Capital and Secondary Markets Instrument  
(d) Both b and c  
Answer: d

27. Stock Market is an example of **CO-2**  
(a) Money market  
(b) Capital Market  
(c) Primary Markets  
(d) Secondary Markets  
Answer: d

28. Follow on Public Offering (FPO) is an example of **CO-2**  
(a) Money market  
(b) Capital Market  
(c) Primary Markets  
(d) Secondary Markets  
Answer: c

29. Which one of the following is the most illiquid? **CO-1**  
(a) Shares

- (b) Bonds
- (c) Public Provident Fund
- (d) Bank fixed deposit

Answer: c

30. Which one of the following is the most tax efficient instrument?

**CO-3**

- (a) Equity Shares held for more than one year
- (b) Bonds held for more than 3 years
- (c) Real Estate Investment
- (d) Bank fixed deposit

Answer: a

31. Which one of the following is the most tax efficient instrument?

**CO-3**

- (a) Equity Shares held for less than one year
- (b) Mutual Fund
- (c) Public Provident Fund
- (d) Bank fixed deposit

Answer: c

32. Which one of the following is the most risky instrument?

**CO-3**

- (a) Equity Shares of Large Cap companies
- (b) Equity Shares of Mid Cap companies
- (c) Equity Shares of small Cap companies
- (d) Multi Cap Mutual Fund

Answer: c

33. Which one of the following is the most risky instrument?

**CO-3**

- (a) Buying Equity Shares with the option of holding it for One year or less
- (b) Buying Equity Shares with the option of holding it for 5 years or less
- (c) Buying Equity Shares with the option of holding it for 10 year or less
- (d) Buying Equity Shares with the option of holding it for 20 year or less

Answer: a

34. Which one of the following instrument provides highest Current Yield?

**CO-3**

- (a) Equity Shares
- (b) Bank Deposit
- (c) Gold
- (d) Public Provident Fund

Answer: b

35. Which one of the following instrument provides highest capital Gain?

**CO-3**

- (a) Equity Shares
- (b) Bank Deposit
- (c) Gold
- (d) Bond

Answer: a

35. Which one of the following instrument provides highest capital Gain?

**CO-3**

- (a) Equity Shares
- (b) Bank Deposit
- (c) Gold
- (d) Bond

Answer: a

36. The most popular bond market index in India is provided by:

**CO-1**

- (a) CRISIL
- (b) NSE
- (c) I-Sec
- (d) CCIL

Answer: c

37. Which one of the following cannot be negative?

**CO-3**

- (a) Current return
- (b) Capital return
- (c) Total return
- (d) Both a and b

Answer: a

38. In general, investors are:

**CO-1**

- (a) Risk-neutral
- (b) Risk-loving
- (c) Risk-averse
- (d) None of the above

Answer: c

39. For a depositor, when the frequency of compounding is increased

**CO-2**

- (a) Additional gains increase
- (b) Additional gains dwindle
- (c) Additional gains are unaffected
- (d) There are no additional gains

Answer: a

40. Recurring deposit in a bank is a typical example of:

**CO-2**

- (a) Deferred annuity
- (b) Annuity due
- (c) Regular annuity
- (d) Compound annuity

Answer: b