

Theoretical Questions of SAPM (Set – 2)

26. Calculate the expected return and risk for the securities A and B given
27. Why standard deviation is a better measure of risk
28. Calculate the expected return and risk for the securities A and B given
29. Specify the characteristic features of equity stocks.
30. Define EPS. Explain how it is used in evaluating equity shares
31. What are the advantages of P/E ratio?
32. What are the distinctive advantages of P/E ratio model over the discounting mode?
33. Explain the Dividend capitalization model share valuation with growth.
34. Explain dividend valuation model of an equity share under zero growth, constant growth and multiple growths
35. Define ‘fundamental analysis’. Bring out its relevance for equity investment
36. ‘Economic forecasting is the heart of the economy analysis’. Comment and briefly explain various techniques of economic forecasting
37. Discuss the key macro economic variables and their impact on stock market.
38. Explain briefly the basic valuation model of a security
39. Explain the utility of the economic analysis and state the economic factors considered for this analysis.
40. How can industries be classified.
41. Describe the industrial life cycle. What are its implications for the investor?
42. How Debt and Equity ratio affect EPS? Explain by giving an example
43. What is meant by fundamental analysis? What are the various factors that are considered in such an analysis?
44. Discuss the market-share/net-income margin approach to company earnings analysis

- 45. What are the obstacles in the way of successful fundamental analysis? Briefly explain.**
- 46. What are the obstacles in the way of an equity analyst?**
- 47. What are the various factors that are to be considered in Company Analysis?**
- 48. Discuss the concept of technical analysis**
- 49. What do you understand by 'Relative Strength Analysis?'**
- 50. What is Relative Strength Index? Explain briefly**