

### **Theoretical Questions of SAPM (Set – 4)**

- 76. State the formula for Capital Asset Pricing Model (CAPM). Assuming beta of 1.2, risk free return of 4% and the expected market return of 12%, calculate the required return of an investment under CAPM.**
- 77. What are the assumptions made under Markowitz theory of portfolio analysis**
- 78. Describe the procedure developed by Markowitz for choosing the optimal portfolio of risky assets.**
- 79. What is meant by Active strategies in equity selection techniques? Discuss the various approaches of this technique**
- 80. Explain the important steps in portfolio management.**
- 81. What are Rosenberg's six indexes of risk in predicting a stock's beta?**
- 82. What are the constraints in portfolio revision? Explain briefly.**
- 83. Discuss the Capital Asset Pricing Model.**
- 84. What is meant by portfolio management? Discuss the elements of portfolio management.**
- 85. What are the basic principles to be applied to all portfolio decisions? Briefly explain.**
- 86. Briefly describe the three basic policies with respect to portfolio rebalancing.**
- 87. Describe the key vectors of active portfolio strategy.**
- 88. What are formula plans? How do they help in portfolio revision?**
- 89. What do you mean by SML?**
- 90. How does the risk profile of an investor affect portfolio selection?**
- 91. Discuss on the unsystematic risks of investments in portfolios.**
- 92. Explain the basic assumptions of Markowitz efficient frontier theory.**
- 93. What is the expected return and risk of a portfolio made up of 40 percent X and 60 percent Y.?**
- 94. Measurement of Portfolio Management / Mutual Funds**

- 95. How do you judge a mutual fund's performance through Sharpe and Treynor's methods?**
- 96. Explain the objectives of mutual funds.**
- 97. What are the differences between open-end and closed-end mutual funds?**
- 98. What is meant by mutual fund? What are the advantages of professionally managed portfolio?**
- 99. What are the types of Mutual funds. What are the advantages of investing in mutual funds?**
- 100. Discuss the role of Unit Trust of India.**