B.Com (Banking and Insurance) Semester VI
Subject: Security Analysis and Portfolio Management
Question Bank

Sr. No.	Question	Answer1	Answer2	Answer3	Answer4
1	Which of the following refers to combined holding of multiple securities?	Portfolio	Gambling	Both A and B	None of the above
2	Most investors are _____ averse.	profit	risk	risk free	None of the above
3	An investor who is not concerned with the level of risk involved in an investment is known as risk _____ investor.	averse	taking	indifferent	All of the above
4	T-bills are issued by which authority?	RBI	SBI	BOI	All of the above
5	Investors who invest in risky securities to satisfy their urge to take risk are known as risk _____ investors.	averse	taking	indifferent	any of the above
6	Investment means current commitment of funds for a period of time in order to derive a future flow of funds that will compensate investor for _____.	the time the funds are committed	for expected rate of inflation	for uncertainty involved in future flow of funds	all of the above
7	Construction of extra floors to factory building is an example of _____ investment.	Financial	Economic	group	none of the above
8	The holding period return (HPR) of an investment is equal to what?	capital gains on the investment over the period plus the inflation rate.	capital gains on the investment over the period plus the dividend yield.	risk free rate plus the risk premium.	none of the above.
9	Probability of an event that has no chance of occurrence is always _____.	one	zero	between (a) & (b)	high
10	A well planned activity of committing funds with the aim of achieving returns is referred to as _____.	speculation	investment	gambling	any of the above
11	An activity involving high risk taken to achieve high capital gains in short duration is known as _____.	speculation	investment	gambling	any of the above
12	An activity involving high risk without expecting high returns is known as ?	speculation	investment	gambling	any of the above
13	Mr. X is a risk-averse investor. Mr. Y is a less risk-averse investor as compared to Mr. Y, therefore, _____.	for the same risk, Mr. Y requires a higher rate of return as compared to Mr. X.	for the same returns, Mr. X tolerates higher risk as compared to Mr. Y.	for the same returns, Mr. Y tolerates higher risk as compared to Mr. X.	for the same risk, Mr. X requires a lower rate of return as compared to Mr. Y.
14	Holding period returns converted into 12 months period are known as _____ returns.	annualised	Expected	Future	None of the above
15	_____ is referred to as the chance that the actual outcome from an investment will differ from the expected outcome.	risk-return	profit	risk	All of the above
16	A risk that affects the whole economic system is known as _____ risk.	Unsystematic	Systematic	Both (a) & (b)	All of the above
17	Indifference curve shows _____ indifference for an investor.	risk-return	risk	profit	All of the above
18	Risk is a situation where possible outcomes are ?	highly certain	certain	uncertain	normal
19	Which of the following a measure of risk?	Range	Variance	Standard Deviation	All of the above
20	Most investors are risk ?	averse	taking	indifferent	any of the above
21	Which risk is avoidable risk?	Systematic	Unsystematic	Both (a) & (b)	None of the above
22	Internal business risk is a source of _____ risk.	Systematic	Unsystematic	Both (a) & (b)	None of the above
23	Which is not a source of systematic risk?	Interest rates	Business cycle	Inflation rate	Personnel changes
24	An activity involving high risk taken to achieve high capital returns is known as what?	Speculation	Investment	Gambling	Arbitrager
25	Which of the following is a financial investment?	Purchase of shares	Purchase of farm house	Purchase of a car	Purchase of T.V. set
26	Which type of risk is avoidable through proper diversification?	Systematic risk	Portfolio risk	Unsystematic risk	Total risk

27	Investors who invest in risky securities to satisfy their urge to take risk are known as risk _____ investors.	averse	taking	indifferent	any of the above
28	An unsystematic risk is the one which can be eliminated but the market risk is the _____ risk.	ineffective	effective	remaining	aggregate
29	_____ refers to a combination of various assets in which investors can invest their money instead of investing in one single security.	Portfolio	standard deviation	Share Market	None of the above
30	_____ reduction is the primary objective of portfolio management.	return risk	risk	Both A and B	None of the above
31	A correlation of +1 is known as _____ correlation.	zero	perfect positive	perfect negative	None of the above
32	A correlation of –1 is known as _____ correlation.	perfect positive	perfect negative	zero	All of the above
33	When correlation of two securities is _____ they are said to have no correlation amongst themselves.	perfect negative	perfect positive	zero	All of the above
34	Standard deviation of a portfolio consisting of four securities will have _____ number of coefficient of correlations in its calculation.	six	five	seven	eight
35	Returns of two securities with a correlation of _____ will be totally inversely proportional to each other.	–1	1	0	None of the above
36	_____ market line can also be said to be graphical representation of Markowitz mean variance model of portfolio construction.	Share	Capital	Equity	None of the above
37	The standard deviation of a portfolio that has 30% of its value invested in a risk-free asset and 70% of its value invested in a risky asset with a standard deviation of 15% is _____%.	10.1	10.5	10.4	10.2
38	A portfolio consisting of security A, B & C with expected returns of 15%, 18% and 10% and weightage of 20%, 50% and 30% will have expected returns of _____%.	13	14	15	16
39	Which is/are the objective(s) of portfolio management?	Maximising returns	Minimising risk	Liquidity	All of the above
40	An investment portfolio should ideally be _____.	tailor-made as per investor's requirement.	standardised for all investors	(a) or (b)	none of the above
41	Portfolio returns are equal to _____ of returns of securities in the portfolio.	simple mean	weighted mean	median	mode
42	A measure that compares the behaviour of returns of two securities with each other is known as ?	coefficient of correlation	variance	coefficient of variance	range
43	Standard deviation of a portfolio consisting of securities with perfect positive correlation will be equal to _____ of standard deviation of securities in the portfolio.	simple mean	weighted mean	median	mode
44	A portfolio consisting securities with _____ correlation cannot achieve any risk reduction with any level of diversification.	perfect positive	perfect negative	zero	none of the above
45	Standard deviation of a portfolio depends upon standard deviation of securities in the portfolio, weight of securities in the portfolio and _____ amongst securities in the portfolio.	variance	coefficient of correlation	range	coefficient of variance
46	The idea of selecting securities in a portfolio based on coefficient of correlation of their returns was purported by _____.	William Sharpe	Harry Markowitz	Black & Scholes	Walter
47	A portfolio that provides highest possible returns at lowest possible risk is known as _____ portfolio.	risky	behaviour	inefficient	efficient
48	According to the capital market line, the expected return of any efficient portfolio is a function of _____ risk.	unique	total	systematic	unsystematic
49	All other things remaining same, diversification is most effective when securities returns are ?	positively correlated	uncorrelated	high	negatively correlated
50	When a portfolio of two securities with perfect negative correlation is formed, minimum standard deviation that can be achieved is _____.	greater than zero	equal to zero	equal to -1	total of standard deviations of securities in the portfolio
51	_____ measures how the returns of two risky assets move together.	correlation	standard deviation	covariance	both (I) & (iii)

52	Markowitz theory of portfolio management is most concerned with _____.	the identification of systematic risk	active portfolio management for better returns	the elimination of systematic risk	the effect of diversification on portfolio risk.
53	A risky portfolio with expected returns and standard deviation of 18% lies on a given indifference curve. Which of the following portfolios might lie on the same indifference curve?	Expected returns = 15%; standard deviation = 18%.	Expected returns = 15%; standard deviation = 20%.	Expected returns = 15%; standard deviation = 15%.	Expected returns = 15%; standard deviation = 10%.
54	An indifference curve shows ?	the one most desirable portfolio for a particular investor	all combinations of portfolios that are equally desirable to all investors	all combinations of portfolios that are equally desirable to a particular investor	the one most desirable portfolio for all investors
55	The optimal portfolio for a risk-averse investor ?	occurs at the point of tangency between the highest indifference curve and the efficient set of portfolios	occurs at the point of tangency between the highest expected return and lowest risk efficient portfolios	occurs at the point of tangency between the highest indifference curve and the highest expected return	cannot be determined
56	Which of the following is a financial investment?	Purchase of shares	Purchase of farm house	Purchase of a car	Purchase of T.V. set
57	Depositing money in fixed deposit is an example of which type of investment?	Financial	Economic	Group	Speculation
58	Average Return of Portfolio Y is 10 %, Beta is 1.10 and risk free rate of return is 8 %. What is the portfolio performance according to Treynor measure?	16.36%	1.82%	13.33%	18.00%
59	According to Treynor measure, Portfolio performance of Portfolio A is 4.8%, Portfolio B is 1.82% and Portfolio C is 3.33%. Which Portfolio has outperformed?	Portfolio A	Portfolio B	Portfolio C	Portfolio B and C both
60	Coefficient of Correlation signifies the relationship between how many variables?	One	Two	Three	Four
61	The art of changing the mix of securities in a portfolio is called as what?	Portfolio Analysis	Portfolio Management	Portfolio Revision	Portfolio Valuation
62	Yield to Maturity of 4 Bonds is given. Bond M 10%, Bond N 17.29%, Bond O 15%, Bond P 12.69%. Which Bond will you recommend to be purchased?	Bond M	Bond N	Bond O	Bond P
63	How will you calculate the Intrinsic value of bond?	Coupon Rate/ K_d	Coupon Rate X K_d	Par Value/ K_d	Par Value X K_d
64	What is the difference between expected returns and returns as per CAPM also known as ?	Treynor's	Shape's	Jensen's	Beta
65	If face value of irredeemable debenture is Rs. 1,000 , required rate of return is 10% and Coupon rate is 11% find the intrinsic value ?	Rs. 110	Rs. 1,100	Rs. 1000	Rs. 100
66	$R - R_f / \beta$ is used to calculate which of the following ?	Treynor Measure	Jensen Measure	CAPM	Sharpe Measure
67	$R_p - E (R_p)$ is used to calculate which of the following?	Treynor Measure	Jensen Measure	SD	Sharpe Measure
68	Income statements are thoroughly analysed under _____ analysis.	Economy	Industry	Company	Technical
69	An undervalued security will have _____ alpha.	Zero	Positive	Negative	None of the above
70	Single Index model classifies risk under _____ and _____.	Known, unknown	Systematic, Unsystematic	Real, Notional	All of the above
71	Single index model is based on _____ concept.	Regression	Interpolation	Extrapolation.	None of the above
72	Single index model is based on _____ paring of securities.	Direct	Quick	Index	None of the above
73	Portfolio alpha is _____ of security alpha.	Total	Difference	Simple average	Weightage average
74	Inputs required for Markowitz model for a portfolio consisting of 'n' securities are ?	2n + [n(n–1)] / 2	3n + [n(n–1)] / 3	4n + [n(n–1)] / 2	n + [n(n–1)] /1
75	Inputs required for Single Index model for a portfolio consisting of 'n' securities are ____.	3n + 2	n + 2	3n + 3	3n + 1
76	For a portfolio consisting of 30 securities, inputs required for Markowitz model would be _____.	462	463	464	465

77	For a portfolio consisting of 50 securities, inputs required for Single Index model would be _____.	150	151	152	153
78	According to Fundamental analysis, a company's stock price depends on _____.	The economic situation in which the company operates	Industry in which the company operates	Company's financial health	All of the above
79	Study of company's financial statements is a part of _____ analysis.	Fundamental	Technical	Moral	All of the above
80	_____ analysis is a technique that attempts to determine a security's value by focusing economic analysis, industry analysis and underlying factors that affects company's actual business.	Fundamental	Technical	Moral	All of the above
81	Under Barometric approach, average duration of unemployment is an example of _____ indicator.	Lagging	Coincidental	Leading	All of the above
82	Reward to total risk ratio is also known as _____ measure.	Shape's	Jensen's	Treynor's	None of the above
83	Reward to systematic risk ratio is also known as _____ measure.	Jensen's	Treynor's	Shape's	None of the above
84	_____ is used as denominator in Sharpe's ratio.	Standard deviation	Alpha	Beta	All of the above
85	As per Fama's decomposition total returns = Risk free returns + _____ returns.	less	free	excess	None of the above
86	_____ are/is principle(s) of active portfolio strategy	Market timing	Security rotation	Security selection	All of the above
87	Constant rupee value plan is a strategy used in _____ portfolio management strategy.	Active	Passive	Modern	None of the above
88	Treynor's measure of an overpriced security will be _____ as compared to Treynor's measure of market.	Lower	Higher	Same	Any of the above
89	_____ the required rate of return, lower will be the value of the debenture.	higher	lower	constant	all of the above.
90	At a given required rate of return _____ the maturity of a bond, lower will be its value.	higher	lower	constant	all of the above.
91	_____ technique is the most accurate for calculating YTM.	YTC	YTM	IRR	None of the above
92	Interest is payable at _____ rate applicable to par value of debenture.	higher	coupon	lower	all of the above.
93	YTM and bond values are _____ related.	directly	inversely	not	all of the above.
94	A bond is said to be issued at premium when	Coupon rate > Required returns	Coupon rate = Required returns	Coupon rate < Required returns	any of the above
95	Fundamental analysis answers which of the following questions about the company?	Is the company actually making profit?	Is the company able to repay its debt?	Is the management trying to hide real facts about the company?	All of the above.
96	Fundamental analysis assumes that the stock price of a company depends on _____.	Emotions of stock markets	Capacity to generate income in future	Tips and rumors about the company	All of the above
97	Under economic analysis an analyst will study ?	Government policies	Country's GDP	Both (a) & (b)	None of the above
98	_____ is/are the measures of economic activity of a country.	Inflation	Fiscal & Monetary policy	Monsoon & Agriculture	All of the above
99	Under economic analysis the technique of drawing out a relationship between an independent variable and a dependent variable is known as _____ model building.	Econometric	Barometric	Opportunistic	none of the above
100	During _____ stage of maturity, the industry's sales growth declines because of shift in demand or growth of substitutes.	deceleration of growth and decline	deceleration of loss and decline	Both (a) & (b)	None of the above
101	Outstanding commercial and industrial loans are _____ indicators.	Coincidental	Lagging	Leading	None of the above
102	Study of impact of change in independent variable on an dependent variable is known as _____ model building.	Barometric	Opportunistic	Econometric	All of the above
103	_____ model is sectoral analysis of Gross National Product model building.	Econometric	Opportunistic	Barometric	All of the above
104	Under _____ type of industry, the firms included are those that move closely with the rate of industrial growth of the economy.	Cyclical	Fundamental	Technical	Moral

105	_____ sales is used in numerator of debtor's turnover ratio.	Credit	Cash	both (i) & (ii)	None of the above
106	Turnover ratios are denoted in _____.	times	cost	Place	None of the above
107	For calculating creditor's velocity _____ purchases are considered.	Cash	Credit	both (i) & (ii)	All of the above
108	Earning's yield is reciprocal of _____ ratio.	profitability	price earning	unlevered	All of the above
109	Dividend payout ratio is reciprocal of _____ ratio.	dividend yield	activity	solvency	All of the above
110	Current ratio is a _____ ratio.	activity	solvency	profitability	liquidity
111	High current ratio & low quick ratio will generally indicate _____.	high Stock levels	low stock levels	high cash balance	low cash balance
112	High asset turnover & high operating profit will lead to high _____.	debt equity	ROI	leverage	liquidity
113	Debt equity ratio is _____ the better.	higher	lower	profitability	liquidity
114	Stock Turnover ratio is a _____ ratio.	activity	solvency	profitability	liquidity
115	Lower the ratio, the more favorable it is, is true for _____ ratio.	operating ratio	quick	net profit	debtors turnover
116	Return on Net Worth is a _____ ratio.	unlevered	levered	solvency	liquidity
117	Return on Capital employed is a _____ ratio.	unlevered	levered	solvency	liquidity
118	Earning before interest and tax is used as numerator for _____ profit ratio	net	gross	operating	current
119	Following is not an assumption of NOI approach.	Debt capitalisation rate changes	Constant WACC	No corporate taxes	Split between debt & equity is not important
120	Capital structure with equity shares only ____	Enhances credit standing of the company	Directors have greater discretion in declaration of dividend.	There is no danger of existence of the company	All the above
121	The non-produce projects should be financed by	Debt and Equity	Debt	Equity	Retained Earnings
122	If EBIT is less than financial break even point then	EPS will be Positive	EPS will be Negative	No effect on EPS	Cash of Debt Increases
123	Optimum Capital structure implies a ratio debt and equity at when _____ would be least and market value of the firm would be highest.	Marginal Cost of Capital	WACC	Cost of Debt	Opportunity cost
124	The factor which is not relevant for determination of debt equity mix.	Taxation	Nature of Asset base	Industry Norms	Viability of Cashflows
125	Ability of a firm with high gearing to meet fixed interest payment out of current earnings.	Reduces	Remains unaffected	Increases	Does not change
126	_____ _____ is the sensitivity of operating profit to changes in sale.	Operating leverage	Financial leverage	Combined leverage	None of the above
127	Operating leverage is = _____ / EBIT	Contribution	Sales	Variable Cost	All of the above
128	_____ _____ is useful for profit planning.	Operating leverage	Financial leverage	Combined leverage	None of the above
129	Financial leverage involves _____ _____.	Business Risk	Financial Risk	Both (a) and (b)	None of the above
130	Return on capital employed can be calculated by multiplying operating profit ratio and _____ ratio.	asset turnover or capital turnover	profit turnover or capital turnover	both (i) & (ii)	All of the above
131	To calculate interest coverage ratio _____ is divided by interest.	earning before interest and tax	earning after interest and tax	both (i) & (ii)	None of the above
132	To calculate Preference dividend coverage ratio _____ is divided by preference dividend.	net profit before tax	net profit after tax	gross profit	None of the above
133	Under _____ ratio Market price of company's share is divided with its earning per share.	activity	solvency	price earning	All of the above
134	What will be the Administration Expenses Ratio if Net Sales are Rs. 5,00,000, Salaries are Rs. 1,01,000 and Advertisement costs are Rs. 1,00,500 ?	20.2%	40%	40.3%	1.25%
135	COGS is Rs. 3,00,000, Opening Stock is Rs. 76,250 and Closing Stock is Rs. 98,500. What is the Stock Turnover Ratio?	2.5	3.93	4.34	3.43
136	Which of the following is Funds Without Fixed Return?	Preference Share Capital	Debentures	Long Term Loan from Bank	Equity Share Capital

137	Stock is Rs. 12,000. Debtors is Rs. 12,000. Cash in hand is Rs. 12,000. Short Term Investments are Rs. 4,000. What is the total of Quick Assets?	28,000	40,000	36,000	24,000
138	Profit after Tax is Rs. 40 lakh, Preference Dividend is Rs. 8 lakh and Company has 20 lakh Equity Shares. What will be the EPS?	20	1.6	32	16
139	Gross Profit is Rs. 60,000 which is 20% of Sales. What is the amount of COGS?	60,000	2,40,000	3,00,000	12,000
140	If Face Value of bond is Rs. 1,000 and Interest Rate is 15%, what is the annual cash flow?	Rs. 15	Rs. 1000	Rs. 150	Rs. 1500
141	If Face Value of bond is Rs. 1,000 , Interest Rate is 15% and years to maturity is 10 years, what is the annual cash flow in the 10th year?	Rs. 15	Rs. 1000	Rs. 150	Rs. 1150
142	If face value of irredeemable debenture is Rs. 1,000 , required rate of return is 10% and Coupon rate is 11% find the intrinsic value ?	Rs. 110	Rs. 1,100	Rs. 1000	Rs. 100
143	As per APT, extra returns due to change in risk factor is known as _____.	Risk free returns	Risk premium	Both (a) & (b)	None of the above
144	APT is a multi _____ model.	Factor	Index	Output	None of the above
145	As per APT, the value of firm-specific risk factor is _____.	Positive	Negative	Zero	Any of the above
146	_____ theory stipulates relationship between expected return and risk.	CAPM	APT	Both (a) & (b)	None of the above
147	Which trend refers to daily fluctuations of little importance?	primary trend	secondary trend	intermediate trend	tertiary trend
148	Which theory posits three forces simultaneously affecting stock prices?	Elliot Wave Theory	Theory of Dominance	Theory of Leverage	Dow Theory
149	Which Analysis looks forward?	Fundamental	Technical	Trend	Economic
150	According to which analysis, market movements happen 90% due to psychological factors and 10% due to logical factors?	Trend	Economic	Fundamental	Technical
151	The daily high price is represented on a candlestick chart by the which of the following?	real body	trend-line	channel	shadow
152	Increase in odd-lot selling as compared to odd-lot buying, is which of the following indicator?	bullish	bearish	flat	neutral
153	Triple tops and triple bottoms are indicators of which of the following?	role reversal	trend reversal	role reversal as well as trend reversal	high volumes
154	What is relevant to market breadth?	The number of investors buying and selling	Tick test	Advance/declining ratio	intermediate trend
155	Under technical analysis which level represents an upper price limit for a stock.	resistance	support	stochastic	oscillator
156	Under technical analysis, money flow index is a type of?	Trim factor	oscillator	Stochastic	Trend
157	Under technical analysis, support and resistance levels are also termed as which oscillators?	Trend	Moral	Stochastic	oscillator
158	Technical analysts use how many types of moving averages?	one	two	three	four
159	_____ is relevant to market breadth.	The number of investors buying and selling	Tick test	Advance/declining ratio	None of the above
160	_____ analysis is a study based on market emotions and share price movements.	Fundamental	Technical	Moral	All of the above
161	A _____ indicates the general direction in which a security price is headed.	trend	ratio	price	none of the above
162	The daily high price is represented on a candlestick chart by the _____.	real body	trend-line	channel	shadow
163	Which of the following is the reason stock prices behave the way they do at resistance lines because _____.	many investors want to buy at this price	market makers resist moving prices lower than this price	many investors want to sell at this price	market makers support prices at this level

164	A _____ average of a stock index is the average level of the index over a given interval of time.	static	moving	gross	net
165	Market price breaking through the moving average from below is a _____ indicator.	bullish	bearish	flat	none of the above
166	Money flow index _____ weighted Relative strength index.	volume	Relative	static	None of the above
167	When each successive low and high of a share price is higher than the previous low and high, the price is said to be in _____ tread.	decreasing	increasing	constant	None of the above
168	Under technical analysis, support and resistance levels are also termed as _____ oscillators.	Trend	Moral	stochastic	None of the above
169	Under technical analysis _____ level represents an upper price limit for a stock.	resistance	support	both (a) & (b)	None of the above
170	Under technical analysis, money flow index is a type of _____.	Trim factor	oscillator	both (a) & (b)	All of the above
171	Under technical analysis, _____ is oscillator measures percentage change between the most recent price and the price 'n' period in the past.	rate of interest	rate of change	rate of exchange	All of the above
172	Increase in odd-lot selling as compared to odd-lot buying, is a _____ indicator.	bullish	bearish	both (a) & (b)	neutral
173	Triple tops and triple bottoms are indicators of _____.	role reversal	trend reversal	both (a) & (b)	high volumes
174	Elliott wave theory and the theory of Kondratieff waves are variations of _____ Theory.	Dow	Random walk	Both (a) & (b)	None of the above
175	Efficient markets hypothesis is popularly known as the _____ walk Theory.	Dow	random	Both (a) & (b)	All of the above
176	The _____ form of efficient market hypothesis is silent on possibility of successful fundamental analysis.	small	week	large	None of the above
177	As per _____ form of efficient market hypothesis current market prices only reflect past price movements.	weak	strong	semi-strong	market
178	Efficient market hypothesis advocates _____ investment strategy.	active	buying	passive	strong
179	According to efficient market hypothesis a small investor having ` 1,00,000 with him should ?	try and exploit market anomalies.	invest in risk free securities.	perform fundamental analysis before investing.	invest in mutual funds.
180	As per _____ hypothesis, in an efficient market, on the average, competition will cause the full effects of new information on intrinsic values to be reflected instantaneously in actual prices.	Share-market	E-market	efficient market	All of the above
181	As per efficient market hypothesis, markets are said to be _____ if prices adjust to every new information quickly and without any bias.	strong	efficient	weak	None of the above
182	As per _____ form of EMH, stock prices reflect all relevant information including historical stock prices and current public information about the company, but not information that is available to insiders.	semi-strong	weak	strong	All of the above
183	According to the Dow Theory, daily fluctuations and secondary movements in the stock market are used to identify the _____ trend.	short term	long term	primary	seasonal
184	Elliott wave theory is a variation of _____ Theory.	Markowitz	Sharpe	Dow	All of the above
185	As per _____ form of efficient market hypothesis all public information is reflected in the current market prices in stock markets.	weak	strong	semi-strong	market
186	As per _____ form of efficient market hypothesis all public or private information is reflected in the current market prices in stock markets.	weak	strong	semi-strong	market

187	Definition of _____ differs under various forms of efficient market hypothesis.	efficiency	information	prices	returns
188	_____ market line is graphical representation of capital asset pricing model.	Capital	Security	Beta	Aggregate
189	As per capital asset pricing model, beta of risk free securities is always?	One	negative	Zero	All of the above
190	The risk that cannot be avoided even by the most diversified portfolios is known as _____ risk.	company specific	unsystematic	unique	systematic
191	The risk that can be diversified away is _____ risk.	company specific	unsystematic	(a) & (b)	systematic
192	Beta reflects the stock risk for investor which is usually ?	collective	individual	liner	weighted
193	As per capital asset pricing model, beta is a measure of _____ risk.	company specific	unsystematic	total	systematic
194	_____ market line divides required returns on a stock into risk free rate and risk premium.	Capital	Security	Aggregate	Beta
195	In capital asset pricing mode, the covariance between stock and market is divided by variance of market returns to calculate _____ of the company.	mean returns	sales turnover	variance	beta
196	As per capital asset pricing model, how are securities that lie on security market line are values?	correctly	over	under	not
197	If the risk-free rate is 3%, the beta of APL is 1.2, and the rate of return of the market portfolio is 12%, what is the expected return on APL as per CAPM will be _____%.	12.8	10.8	13.8	14.8
198	Which of the following are required to calculate returns of a security as per CAPM?	risk free rate of return	beta of the security	market returns	all of the above
199	Portfolio beta is what of beta of securities in the portfolio?	simple mean	weighted mean	aggregate	median
200	Market risk can also be termed as _____ risk.	systematic, diversifiable	unique, non-diversifiable	systematic, non-diversifiable	unique, diversifiable