



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – HONOURS

FOURTH SEMESTER – APRIL 2023

UBH 4601 – INVESTMENT MANAGEMENT

Date: 29-04-2023

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

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|------------------------------|---|
| 1. MCQ | |
| a) | Which of the following would not be considered as capital market security?
A. A corporate bond.
B. A common stock.
C. A 6-month Treasury bill.
D. A mutual fund share. |
| b) | Which of the following is not a characteristic of investments companies?
A. pooled investing.
B. diversification.
C. managed portfolios.
D. reduced expenses. |
| c) | The most popular type of investment company is a _____.
A. unit investment trust.
B. mutual fund.
C. closed-end investment company.
D. real estate investment trust. |
| d) | Mutual funds may be affiliated with an underwriter. This means _____.
A. the underwriter has an exclusive right to distribute shares.
B. the underwriter selects the securities in the portfolio.
C. there is no risk to the issuer of the mutual fund.
D. there is no risk to the investor of the mutual fund. |
| e) | If an investor is attempting to buy a stock that is very volatile, it would be best to use _____.
A. market order.
B. limit order.
C. stop-loss order.
D. contingency order. |
| 2. Fill in the blanks | |
| a) | The return component that gives periodic cash flows to the investor is known as the _____. |
| b) | Investors should be willing to invest in riskier investments only if they are true _____. |
| c) | Political stability is the major factor concerning _____. |
| d) | The _____ is a window through which the investor can see the company. |
| e) | Investment bankers operate in the _____. |

SECTION A - K2 (CO1)**Answer ALL the Questions
10)****(10 x 1 =****3. Definitions**

a) Capital Market.

b) Non-Probability Risk.

c) Liquidity

d) Securities Premium.

e) Short-selling.

4. Match the following

a) Equity Shares - A) Preference shares

b) Risk free rate of return - B) Dividend

c) Preference Dividend - C) Fixed Deposit

d) Commodity Market - D) High risk

e) Hedge Funds - E) Gold

SECTION B - K3 (CO2)**Answer any TWO of the following in 100 words
20)****(2 x 10 =**

5. Differentiate between Investment and Gambling.

6. Identify the roles and responsibility of NSDL.

7. Analyse the steps involved in the process of investing in Stock market.

8. Compare the operations of Bank and Stock Broking Agency.

SECTION C – K4 (CO3)**Answer any TWO of the following in 100 words
20)****(2 x 10 =**

9. Analyze the investments based on different leverages of the investors.

10. Briefly explain the components of Risk and Return Analysis.

11. Discuss about the Jensen's and Sharpe's performance index models.

12. Differentiate between Primary Market and Secondary Market.

SECTION D – K5 (CO4)**Answer any ONE of the following in 250 words
20)****(1 x 20 =**

13. Elaborate the components of SEBI in detail.

14. **A)** The National Savings Fund promises a monthly 0.75% return if you deposit Rs.100 per month for 15 consecutive years. What amount will be accumulated after 15 years? Calculate (1) Present value of annuity. (2) Future value of annuity.**B)** Pete considers buying a house. Currently, he rents a place for Rs.1,000 per month. The current monthly interest rate on mortgages is 0.5%. His planning period is 20 years. If he does not want to increase his housing costs, what amount of mortgage is available for his purchase? (Neglect any tax effects here) Calculate (1) future value of annuity (2) Present value of annuity**SECTION E – K6 (CO5)****Answer any ONE of the following in 250 words
20)****(1 x 20 =**

15. Elaborate the Capital Asset Pricing Model (CAPM) and its application in Portfolio selection.

16. Construct the successful portfolio with the salary of Rs.75000 drawn monthly and show your

liquidity at the end of the year after investing in various investment avenues. Reflect the Profitable Investment portfolio projection.

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