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BBMBMC 362

**Credit Based Sixth Semester B.B.M. Degree Examination, May/June 2016
(2012 Scheme)**

INVESTMENT MANAGEMENT

Time : 3 Hours

Max. Marks : 120

SECTION – A (Two marks each)

(2×10=20)

Answer **any ten** of the following in **2 or 3** sentences **each** :

1. a) What is gambling in investment ?
- b) What is a treasury bill ?
- c) What is SENSEX ?
- d) Who is a 'Bull Speculator' ?
- e) What are derivatives ?
- f) What is a call option ?
- g) What is a secondary market ?
- h) What is depository ?
- i) What is credit rating ?
- j) What is a commodity market ?
- k) Give the meaning 'Alpha'.
- l) The standard deviation of a share is 0.48, while of market is 0.4 correlation coefficient is 0.18. Calculate the Beta coefficient.

SECTION – B

(Eight marks each)

Answer **any five** of the following in **not more than 2** pages **each**.

(8×5=40)

2. Explain the objectives of investment.
3. Write a note on NSE.
4. Explain the indices of Bombay stock exchange.

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5. Explain the features of government securities.
6. How would you rate life insurance as a form of investment ?
7. Explain different kinds of brokers in stock market.
8. The risk free rate was 6% and the return on sensex was 11%. The Beta of MRF Ltd. was 1.6.
 - a) Determine the expected return for security.
 - b) What happens to the expected return, if the markets return increases to 14% ? Assume the other inputs remain the same.

SECTION – C (20 marks each)

Answer the following in **not** more than **6** pages **each**.

(20×3=60)

9. Distinguish between investment speculation and gambling. What is the usefulness of a sound investment plan ?

OR

Given an option to invest in Land, LIC and Post Office. Which one would you choose and why ?

10. How is technical analysis different from fundamental analysis ? Explain the tools of technical analysis.

OR

Define stock exchange. What are its features ? Is existence of stock exchange necessary ?

11. What are ownership securities ? Explain the different types of ownership securities with their features.

OR

What is meant by risk ? Describe the different types of risks involved in investment.