Reg. No. | | | | | | | | | | |

BCMCCEN 602

Sixth Semester B.Com. Degree Examination, June/July 2024
(NEP – 2020) (2023 – 24 Batch Onwards)
FINANCE – INVESTMENT MANAGEMENT (DSE-F2)

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any five** questions. (5×2=10)

1. What is Speculation ?
2. Give the meaning of Random Walk.
3. What are Swaps ?
4. What is meant by a portfolio ?
5. What is Fundamental Analysis ?
6. What is meant by systematic risk ?
7. What is Moving Average Analysis ?
8. Give the meaning of behavioural finance.

SECTION – B

Answer **any four** questions. (4×5=20)

9. Differentiate between Speculation and Investment.
10. Briefly explain the various types of charts in Technical Analysis.
11. Explain the factors considered for Economic Analysis.
12. Briefly explain the process of portfolio management.

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13. Aravind considers Rs. 1,000 par value bond bearing a coupon rate of 11% that matures after 5 years. He wants a minimum yield to maturity of 15%. The bond is currently sold at Rs. 870. Should he buy the bond ?

14. Find the risk and return of the following 5 Securities.

Securities	Return (%)	Probability
1	25	0.05
2	30	0.15
3	35	0.40
4	40	0.15
5	45	0.25

SECTION – C

Answer **any two** questions. **(2×15=30)**

15. Explain in detail the Investment Process.

16. Explain the basic tenets of Dow theory.

17. a) A Company is currently paying a dividend of Rs. 4.24 per share. The dividend is expected to grow at 18% annual rate for 5 years and then at 12% forever. What is the present value of the share, using two stage growth model, if the capitalization rate is 14% ?

    b) Abacus Ltd's share gives a return of 20% and Eureka Ltd's share gives 32% return. Mr. Ramesh invested 25% in Abacus Ltd. and 75% in Eureka Ltd. share. What would be his expected return on the portfolio ?

18. The returns of Security A and Security B for the past 5 years are given below :

Year	Security A Return (%)	Security B Return (%)
2005	9	10
2006	5	–6
2007	3	12
2008	12	9
2009	16	15

Calculate the risk and return of the portfolio using correlation-covariance model, if the investor has invested 80% in Security A and 20% in Security B.