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BBMBMC 362

**Credit Based Sixth Semester B.B.M. Degree
Examination, April/May 2017
(2012 Scheme)
INVESTMENT MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

**SECTION – A
(Two marks each)**

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

(2×10=20)

1. a) Expand CARE.
- b) What is a gilt-edge security ?
- c) What is a Bar chart ?
- d) What do you mean by 'Blue-Chip companies' ?
- e) What is a primary market ?
- f) What is cornering ?
- g) What are derivatives ?
- h) What do you mean by a money market ?
- i) Who is a Trustee of a Mutual Fund ?
- j) What is a systematic risk ?
- k) What is beta with reference to risk ?
- l) The standard deviation of a share is 0.24, while of market is 0.2. Correlation coefficient is 0.9. 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. Write a note on life insurance as a form of investment.
3. Discuss the various small savings schemes offered by the Post Office.
4. Explain the factors to be considered in economic analysis.

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5. Explain the features of Government Securities.
6. Discuss the role of Association of Mutual Funds in India.
7. Explain the different types of risks involved in investment.
8. For the period between January 2015 and December 2015, the return on ~~sensex~~ was 3.45% and the risk-free return was 7.75%. The Beta of some of the ~~sensex~~ shares is given below :

| | | | | | | |
|-----------------|-------|------|------|------|------|------|
| Shares : | Cipla | DLF | HDFC | HERO | TATA | SBI |
| Beta : | 1.07 | 1.39 | 1.10 | 0.80 | 1.15 | 0.47 |

Calculate the expected rate of return.

SECTION – C

(20×3=60)

(20 marks each)

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

9. Define Investment. Why do people invest ? What are the factors favourable for making investments in an economy ?

OR

What do you mean by 'Fundamental Analysis' ? Discuss in detail the merits and demerits of Fundamental Analysis.

10. Define Stock Exchange. What are its features ? Explain the functions of a Stock Exchange.

OR

What is listing of securities ? Describe the advantages of listing. What documents should be filed for listing of securities ?

11. What are Mutual Funds ? Explain the merits and demerits of investing in Mutual Funds.

OR

What are Corporate Securities ? Explain the different kinds of Corporate Securities with their features.