

D 12156

(Pages : 2)

Name.....

Reg. No.....

**THIRD SEMESTER M.B.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, DECEMBER 2016**

(CUCSS)

BUS 3C 22—INVESTMENT MANAGEMENT

(2018 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer all the questions.
Each question carries 1 weightage.*

1. What is "Credit Rating Services ?
2. What is meant by portfolio management ?
3. What do you mean by SENSEX AND NIFTY ?
4. What is Depository service ?
5. What is Fundamental analysis ?
6. What are Mutual Funds ?

(6 × 1 = 6 weightage)

Part B

*Answer any six questions.
Each question carries 3 weightage.*

7. Briefly explain the functions of primary market.
8. Describe the functions of merchant banks
9. Explain the process of valuation of securities.
10. Explain settlement and clearing in a stock exchange.
11. Describe the purpose of Technical analysis
12. Explain the functions of stock market.
13. Pricol Ltd. paid a dividend of Rs. 4 per share to equity shares of the company. The rate of dividend have been growing on annual rate of 8% and this growth rate is expected to continue. What is the present value of stock if the required rate of return is 14 % ?
14. Explain different investment avenues its merits and demerits.

(6 × 3 = 18 weightage)

Turn over

Part C

*Answer any two questions.
Each question carries 6 weightage.*

15. Ushus industries limited is now showing a dividend growth rate of 20 %. After 5 years, its expected to slowdown and come to normal growth rate of 6 %. Its required rate of return is 15 % and its present dividend is Rs. 0.50 per share. What is the current value of its stock ?
16. Explain portfolio analysis and diversification of risk with illustration.
17. The rate of return and risk for three growth oriented firms were calculated over the most recent 5 years and are listed below :

<i>Growth firm</i>		<i>Return from the portfolio (%)</i>	<i>Risk (%)</i>
A	...	17	16
B	...	15	18
C	...	14	11

Rank each firm by Sharpes index of portfolio performance if the risk free rate is 7 per cent.

(2 × 6 = 12 weightage)