C 32829

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Name...

Reg. No...............................

THIRD SEMESTER M.B.A. DEGREE EXAMINATION, DECEMBER 2017

(CUCSS)

BUS 3C 22—INVESTMENT MANAGEMENT

(2013 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all the questions.
Each question carries 1 weightage.

1. What is "Investment Management' ?

2. What is meant by portfolio management ?

3. What is balanced fund ?

4. What is dematerialization ?

5. What is Technical analysis ?

6. What is Merchant banking ?

(6 × 1 = 6 weightage)

Part B

Answer any six questions.
Each question carries 3 weightage.

7. Briefly explain the functions of stock exchange.

8. Describe CAPM.

9. Explain the process of credit rating.

10. Explain settlement and clearing in a stock exchange.

11. Describe the purpose of fundamental analysis.

12. Explain the functions of primary market.

13. Hotel Leela paid a dividend of Rs. 4 per share to equity shares of the company. The rate of dividend has been growing on annual rate of 85 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. M//S Tejas 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 :

Growth firm	Return from the portfolio (%)	Risk(%)
X	15	16
Y	13	18
Z	12	11

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

(2 × 6 = 12 weightage)