

D 54205

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Name.....

Reg. No.....

THIRD SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2024

(CUCSS)

M.B.A.

BUS 3C 21—INVESTMENT MANAGEMENT

(2016 Scheme)

Time : Three Hours

Maximum : 36 Weightage

Part A

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

1. What is an investment ?
2. Define Secondary Market.
3. What is Economic analysis ?
4. What do you mean by an investment portfolio ?
5. What is Systematic Investment Plan ?
6. What is Dematerialisation ?

(6 × 1 = 6 weightage)

Part B

*Answer any four of the following.
Each question carries 3 weightage.*

7. 'Without adequate information the investor cannot carry out his or her investment programme'.
Elucidate on the statement.
8. Explain different types of risk related to an Investment ?
9. Explain 'Dow Theory' and how it is used to determine the direction of the stock market.

Turn over

10. Mr. Ram invested in equity shares of Wipro Ltd., its anticipated returns and associated Probabilities are given below. You are required to calculate the expected rate of return and standard deviation ?

Return %	:	- 15	- 10	5	10	15	20	20
Probability	:	.05	.10	.15	.25	.30	.10	.05

11. From the following details, compute expected rate of return using CAPM Model :

Beta value of the investment	...	1.6 %
Risk free rate of return	...	6 %
Market rate of return	...	12 %

12. Explain the functions of a Depository ?

(4 × 3 = 12 weightage)

Part C

*Answer any **three** of the following
Each question carries 4 weightage.*

13. 'The investment process involves a series of activities starting from the policy Formulation'. Discuss.
14. Explain Efficient Market Hypothesis ?
15. The returns on securities A and B are given below :

Probability	Security A	Security B
0.5	4 %	0
0.4	2 %	3 %
0.1	0	3 %

Which security will you prefer for investment on the basis of risk and return ?

16. Assume there is a portfolio that consists of two stocks A and B. 60 % of the amount is invested in Stock A, which has a standard deviation of 20 %. 40 % of the amount is invested Stock B with a standard deviation of 10 %. The correlation between the two stocks is 0.95. Compute the standard deviation of the Portfolio ?
17. Explain the role and functions of SEBI ?

(3 × 4 = 12 weightage)

Part D**Compulsory question***Question carries 6 weightage*

18. The return of Individual security (R_i) and market return (R_m) is given below :

R_i	:	14	18	6	12	13	14	11	6	9	8
R_m	:	16	20	9	8	10	9	11	18	17	15

Calculate Beta value of the stock ?

(1 × 6 = 6 weightage)