DEBC605

Reg. No. ☐☐☐☐☐☐☐☐

VI Semester B.Com. (Regular) Degree Examination, July/August - 2024
COMMERCE (Finance Elective-2)
Investment Management
(NEP Scheme 2020)

Time : 2½ Hours
Maximum Marks : 60

Instructions to Candidates:

Answers Should be written completely in English.

SECTION-A

Answer any FIVE of the following sub-questions. Each sub-question carries 2 marks.

(5×2=10)

1. a) Define Investment.

    b) Give the meaning of Technical analysis.

    c) What do you mean by Security analysis?

    d) Give any two examples for systematic risk.

    e) Mr.Kumar has a perpetual bond with a face value of Rs.1,000. He receives an interest of Rs.60 annually. The Current value of investment is 600. Find the value of yield to maturity.

    f) Give the meaning of Portfolio analysis.

    g) State any two assumptions of Sharpe's Single Index model.

SECTION-B

Answer any FOUR of the following questions. Each question carries 5 marks.

(4×5=20)

2. State any five features of Good Investment.

3. Briefly explain the tools of Technical analysis.

4. An investor would like to find out the ER on shares of Golden Ltd. The following data is given below.

State of Economy	Probability of Occurance	Rate of Return
Boom	0.30	30
Normal	0.50	18
Recession	0.20	10

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5. Explain briefly on Earnings Capitalization approach.

6. MVP firm is trying to decide one out of Two Investment funds. From the Past performance they were able to calculate the following average returns and Standard deviations of these funds. The current risk for return is 9% Suggest MVP firm which Investment is better using Sharp Index Model.

	Vinu fund	Manu fund
Average Return	19	16
Standard Deviation	22	18

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

$(2 \times 12 = 24)$

7. Briefly explain Dow Theory of Technical analysis.

8. a) Find the value of 11% Irredeemable Bonds of the face value of Rs.5,000 each, if the required rate of return is 9%, 12% and 20%.

   b) Find the value of 8% Irredeemable preference shares of Rs.100 each, if the required rate of return is 10%, 12% and 15%.

9. From the following data evaluate the Performance of different funds using Sharpe and Treynor. Performance Evaluation Techniques

Funds	Return	Standard Deviation	Beta
A	12	20	0.98
B	12	18	0.97
C	8	22	1.17
D	9	24	1.22

Risk free return is 4%.

SECTION - D

Answer any ONE of the following questions. Each question carries 6 marks

$(1 \times 6 = 6)$

10. How to open a DEMAT Account Online for Trading.

11. Prepare a report on systematic and unsystematic risk analysis.