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Name.....

Reg. No.....

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2023

(CBCSS-UG)

B.Com.

BCM 6B 14—FUNDAMENTALS OF INVESTMENTS

(FINANCE SPECIALISATION)

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A

Answer all questions.

Each question carries 2 marks ; Ceiling 25 marks.

1. Who is an Investor in the Stock market ?
2. What is Technical Analysis ?
3. What do you mean by New Issue market ?
4. Differentiate Systematic risk and Unsystematic risk.
5. What is Investment ?
6. What is Price Charts ?
7. What is Portfolio risk ?
8. What is Bond Yields ?
9. Expand CAPM.
10. What is Dividend Yield Method ?
11. What is Elliot Wave theory ?
12. Distinguish between Bonds and Shares.
13. Which are the Fund Based Activities in financial services ?
14. What is EIC analysis ?
15. What is financial market ?

(15 × 2 = 30 marks ; ceiling 25 marks)

Section B

Each question carries 5 marks ; ceiling 35 marks.

16. Explain the role of SEBI as an investor protector.
17. Distinguish between fundamental Analysis and Technical Analysis.
18. What is Portfolio Analysis ? Discuss its importance in investment management.

Turn over

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19. What are the benefits of Indices ?

20. From the following information find out the expected risk of the portfolio ;

Security	Expected return (%)	Proportion of investment	SD
ACC	10	40	0.2
DCM	15	60	0.3

Correlation coefficient between these two securities is 0.5.

21. An investor owns the share of a company whose current cash dividend is Rs. 3. The growth rate of dividend is 16% per year and the required rate of return is 20%. What is the value of the share of the company ?

22. What are importance of Portfolio diversification ?

23. Explain the Dow Theory.

(8 × 5 = 40 ; ceiling 40)

Section C

Answer any **two** questions.
Each question carries 10 marks.

24. Securities X and Y generate the following sets of returns, standard deviations and correlation coefficient :

	X	Y
Return	20%	30%
SD	15	30

Correlation coefficient of A and B 0.60.

A portfolio constructed with 40% of funds invested in X and the remaining 60% in Y. Calculate the expected return and SD of the portfolio.

25. Define Investment. Briefly explain Investment Environments elements.

26. What are the risks of investing in a bond ?

27. Write a note of intermediaries in the financial markets.

(2 × 10 = 20)