

C 80007

(Pages : 3)

Name.....10.....

Reg. No.....

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH/APRIL 2015

(U.G.—CCSS)

Core Course

BC 6B 15—FUNDAMENTALS OF INVESTMENTS

Time : Three Hours

Maximum : 30 Weightage

Part A

This part contains *three* bunches of questions carrying equal weightage. Each bunch has four questions. Answer *all* twelve questions.

A. Fill in the blanks :

- 1 _____ refers to the possibility of incurring loss in a financial transaction.
- 2 _____ is the oldest mutual fund in India.
- 3 The _____ phase of economic cycle is characterised by high demand.
- 4 Determining the expected return and risk of different port folios is known as _____.

B. Choose the correct answer from the bracket :

- 5 The risk unique to a firm or industry is :
(a) Systematic risk. (b) Unsystematic risk.
- 6 The bond which have a face value and the discounted value as the issue price is _____.
(a) Foreign bond. (b) Deep discount bonds.
- 7 Economic value added is a measure of _____.
(a) Profitability. (b) Liquidity.
- 8 Registration of brokers is _____.
(a) Optional. (b) Compulsory.

C. Answer in *one word* :

- 9 Name the body which manages the funds of a mutual fund.
- 10 Name the person who developed the Dow theory.
- 11 The return the bond holder get if the bond is held till maturity is _____.
- 12 The bonds issued by an organisation with different maturity dates are _____.

(12 × ¼ = 3 weightage)

Turn over

Part B

Answer **all** nine questions in one or two sentences each.

Each question carries a weightage of 1.

- 13 What is systematic risk ?
- 14 What is arbitrage ?
- 15 What is coupon rate ?
- 16 What is fundamental analysis ?
- 17 What is SEBI ?
- 18 What is a derivative ?
- 19 What is port folio selection ?
- 20 What are the *two* types of risks associated with investment in bonds ?
- 21 What is intrinsic value of a share ?

(9 × 1 = 9 weig

Part C

Answer any **five** questions. Answer not to exceed **one** page each.

Each question carries a weightage of 2.

- 22 Explain the features of an investment programme.
- 23 A person owns a Rs. 1,000 face value bond with *five* years to maturity. The bond annual interest payments of Rs. 80. The bond is currently priced at Rs. 960. Given t market interest rate is 10 per cent, should the investor hold or sell the bond.
- 24 Explain the different types of bonds.
- 25 What are the various market segments of National Stock Exchange ?
- 26 What are the important types of stock market indices used in practice ?
- 27 Write a note on EPS and P/E ratio.
- 28 What are the limitations of technical analysis ?

(5 × 2 = 10 we

Part D

Answer any two questions. Each question carries a weightage of 4.

- 29 What are the various steps SEBI has taken recently to reform the Indian capital market ?
- 30 What is a stock exchange ? Discuss the functions of stock exchanges.
- 31 What are the various ratios relevant for equity shareholders ?

(2 x 4 = 8 weightage)