24P345 (Pages: 3) Name: .....

Reg.No: .....

THIRD SEMESTER M.Com. DEGREE EXAMINATION, NOVEMBER 2025

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19PMCM3EF01 - INVESTMENT MANAGEMENT

(Commerce)

(2019 Admission onwards)

Time : 3 Hours Maximum : 30 Weightage

Part-A

Answer any ***four*** questions. Each question carries 2 weightage.

1. What is a stock market index?
2. What is certificate of deposit?
3. A company presently paying a dividend of 6 Rs per share and is expected not to deviate in future. Find the value of the share if required rate of return is 15%.
4. What is bar chart?
5. What is ratio analysis?
6. What do you mean by Elliot wave theory?
7. What is portfolio return?

(4 × 2 = 8 Weightage)

Part-B

Answer any ***four*** questions. Each question carries 3 weightage.

8. Company A and B have the following probabilities distribution of possible future Returns.

Prob. (P)	Company A Return (%)	Company B Return (%)
0.1	16	-20
0.2	6	10
0.4	-5	20
0.2	30	30
0.1	42	50

Calculate the expected rate of return for each share and S.D for each share. Calculate the co-efficient of variation for each share. Which share would you prefer?

9. Find the standard deviation of the rate of return on the shares of a particular company over 5 years.

Year	2000	2001	2002	2003	2004
Rate of return (%)	10	20	-5	12	13

10. Explain the Factors to be considered in Industry Analysis.

11. A financial analyst is analyzing two investment alternatives of X and Y. The estimated rates of return along with its probabilities of occurance are given below.

Return on stock X	Return on stock Y	Probability of occurance
22 %	5 %	0.20
14 %	15 %	0.60
-4%	25 %	0.20

1. Determine each alternative's expected rate of return, variance and standard deviation.
2. Which security is comparatively riskless?

12. Explain the concept and process of portfolio analysis.

13. Calculate the Co-variance and Coefficient of correlation from the following data. Stocks are X and Y and their return and expected returns are given below.

Stocks	Return	Expected Return
Stock X	14	18
Stock Y	26	18
Stock X	22	18
Stock Y	10	18

14. Find out the Jensen's Alpha with the help of given information. Stock A has expected return of 12% and risk free rate is 3.6%. The market return is 14.5% and Beta coefficient is 1.23.

(4 × 3 = 12 Weightage)

Part-C

Answer any ***two*** questions. Each question carries 5 weightage.

15. The details of three portfolios are provide to an investor:

Portfolio	Expected return	Total risk (S.D)
X	11%	13
Y	15%	16
S	25.67%	25

You are further given that the risk free rate of interest is 5% and the expected market return is 18%. Risk (S.D) of the market portfolio is 15%. Find out whether these portfolios are efficient or not on the basis of CML?

16. Rs. 1000 face value bond, carrying a coupon rate of 9 % maturing after 8 years. The bond is currently selling for Rs. 800. What is the YTM on this bond?

17. The market value of bond is Rs. 100, carrying a coupon rate of 14 % and maturing after 10 years is Rs. 80. What is the YTM on this bond?

18. From the following information evaluate the portfolio on the basis of Fama Decoposition Model?

Particulars	**Amount**
Risk Free Rate	11%
Portfolio Return	22%
Market Return	17%
Portfolio Standard Deviation	12.5%
Market Standard Deviation	10%
Portfolio Beta	0.85

(2 × 5 = 10 Weightage)

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