25U287S (Pages: 2) Name : ....

Reg. No : ....

SECOND SEMESTER UG DEGREE EXAMINATION, APRIL 2026

(FYUGP)

CC24UCOM2MN105 - ESSENTIALS OF INVESTMENT

(Commerce - Minor Course)

(2024 Admission - Supplementary/Improvement)

Time: 2.0 Hours Maximum: 70 Marks

Credit: 4

Part A (Short answer questions)

Answer ***all*** questions. Each question carries 3 marks.

1. Analyse how diversification reduces investment risk. [Level:2] [CO1]
2. Differentiate between investment and speculation. [Level:1] [CO1]
3. Explain compounding and analyze its effect on investment growth. [Level:2] [CO1]
4. Define bonds and explain how they provide returns. [Level:1] [CO2]
5. Describe the alternative investment options and their significance in a diversified portfolio. [Level:2] [CO2]
6. Describe a mutual fund factsheet and its purpose. [Level:2] [CO3]
7. Describe a Tax-Saving Mutual Fund and its advantages. [Level:1] [CO3]
8. Define a Mutual Fund. [Level:1] [CO3]
9. Describe how Online Brokers work. [Level:2] [CO4]
10. Explain the role of a Depository and Depository Participants (NSCCL, ICCL). [Level:2] [CO4]

(Ceiling: 24 Marks)

Part B (Paragraph questions/Problem)

Answer ***all*** questions. Each question carries 6 marks.

11. Define the term 'Investment'. [Level:1] [CO1]
12. Explain how interest rates affect investment decisions. [Level:2] [CO1]
13. Describe how the Public Provident Fund (PPF) promotes long-term savings. [Level:2] [CO2]
14. Identify the primary difference between equity shares and mutual funds. [Level:1] [CO2]

15. Differentiate between equity and debt funds. [Level:4] [CO3]

16. Identify the difference between direct and regular funds. [Level:1] [CO3]

17. Analyze how diversification of a portfolio helps in risk reduction. [Level:4] [CO4]

18. Identify the key factors to consider when selecting an online trading platform. [Level:2] [CO4]

(Ceiling: 36 Marks)

Part C (Essay questions)

Answer any ***one*** question. The question carries 10 marks.

19. Design an investment strategy that combines real estate, equity, and fixed-income instruments for a balanced portfolio, and evaluate the risk and return potential of this diversified approach. [Level:1] [CO2]

20. Compare fundamental analysis and technical analysis in stock trading, and explain how each can help investors make informed decisions. [Level:4] [CO4]

(1 × 10 = 10 Marks)

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