

D 54205

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Name.....

Reg. No.....

**THIRD SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2024**

(CUCSS)

M.B.A.

BUS 3C 21—INVESTMENT MANAGEMENT

(2016 Scheme)

Time : Three Hours

Maximum : 36 Weightage

**Part A***Answer **all** the questions.**Each question carries 1 weightage.*

1. What is an investment ?
2. Define Secondary Market.
3. What is Economic analysis ?
4. What do you mean by an investment portfolio ?
5. What is Systematic Investment Plan ?
6. What is Dematerialisation ?

(6 × 1 = 6 weightage)

**Part B***Answer any **four** of the following.**Each question carries 3 weightage.*

7. 'Without adequate information the investor cannot carry out his or her investment programme'.  
Elucidate on the statement.
8. Explain different types of risk related to an Investment ?
9. Explain 'Dow Theory' and how it is used to determine the direction of the stock market.

**Turn over**

10. Mr. Ram invested in equity shares of Wipro Ltd., its anticipated returns and associated Probabilities are given below. You are required to calculate the expected rate of return and standard deviation ?

Return %	:	- 15	- 10	5	10	15	20	20
Probability	:	.05	.10	.15	.25	.30	.10	.05

11. From the following details, compute expected rate of return using CAPM Model :

Beta value of the investment	...	1.6 %
Risk free rate of return	...	6 %
Market rate of return	...	12 %

12. Explain the functions of a Depository ?

(4 × 3 = 12 weightage)

### Part C

*Answer any **three** of the following  
Each question carries 4 weightage.*

13. 'The investment process involves a series of activities starting from the policy Formulation'. Discuss.
14. Explain Efficient Market Hypothesis ?
15. The returns on securities A and B are given below :

Probability	Security A	Security B
0.5	4 %	0
0.4	2 %	3 %
0.1	0	3 %

Which security will you prefer for investment on the basis of risk and return ?

16. Assume there is a portfolio that consists of two stocks A and B. 60 % of the amount is invested in Stock A, which has a standard deviation of 20 %. 40 % of the amount is invested Stock B with a standard deviation of 10 %. The correlation between the two stocks is 0.95. Compute the standard deviation of the Portfolio ?
17. Explain the role and functions of SEBI ?

(3 × 4 = 12 weightage)

**Part D****Compulsory question**  
*Question carries 6 weightage*

18. The return of Individual security ( $R_i$ ) and market return ( $R_m$ ) is given below :

$R_i$	:	14	18	6	12	13	14	11	6	9	8
$R_m$	:	16	20	9	8	10	9	11	18	17	15

Calculate Beta value of the stock ?

(1 × 6 = 6 weightage)