

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS—UG)

B.B.A.

BBA VB 11—FINANCE SPECIALIZATION II—INVESTMENT MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)*Answer all ten questions.**Each question carries 1 mark.*

Choose the correct answer :

1. These are instruments which give a fixed rate of interest for a fixed period of maturity :
(a) Debt. (b) Equities.
(c) Mutual Funds. (d) Virtual office.
2. These shares have preferential right to the payment of dividend and to the return of capital at the time of winding up of the company :
(a) Equity share. (b) Preference share.
(c) Bonus share. (d) None of the above.
3. Stock mutual fund is also called :
(a) Open end fund. (b) Closed end fund.
(c) Growth fund. (d) Equity fund.
4. Which of the following attempts to make profit anticipating changes in market prices or credit events by entering a derivative contract ?
(a) Speculators. (b) Hedgers.
(c) Arbitrageurs. (d) None of the above.
5. The variability in a security's returns resulting from fluctuations in the aggregate market is known as :
(a) Market risk. (b) Interest rate risk.
(c) Purchasing power risk. (d) Regulation risk.

Fill in the blanks :

6. ————— pools money from investors and invest in different securities.

Turn over

7. The aim of ———— fund is to provide regular and steady income to investors.
8. Exchange traded fund is an investment tool that combines the feature of mutual fund and ————.
9. ———— risk is considered un-diversifiable risk.
10. ———— mutual funds invest in bonds and other debt securities.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any eight out of the ten questions in two or three sentences.

Each question carries 2 marks.

11. Define investment.
12. What is risk ?
13. Define mutual fund.
14. What is an open end mutual fund ?
15. What are equities ?
16. Give a brief account of the history of mutual fund.
17. What are the types of investment risk ?
18. Write a note on national stock exchange.
19. What is an option ?
20. What do you mean by measurement of risk ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any six out of the eight questions in about 200 words.

Each question carries 4 marks.

21. What are the different avenues of the investment ?
22. What are the advantages of exchange traded funds ?
23. What are the drawbacks of fundamental analysis ?
24. Who are the participants in the derivative market ?
25. What are the advantages of technical analysis ?
26. Distinguish between primary and secondary markets.

27. What are the sources of risk ?
28. What are the different types of preference shares ?

(6 × 4 = 24 marks)

Part IV (Essay Questions)

Answer any two out of the three questions in about 800 words.

Each question carries 15 marks.

29. What do you mean by capital market ? Discuss its objectives and functions.
30. What do you mean by securities and exchange board of India ? What are the functions of securities exchange board of India ?
31. What is investment ? Discuss the objectives of investment.

(2 × 15 = 30 marks)