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(Pages : 3)

Name.....

Reg. No.....

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2017

(CUCBCSS—UG)

BBA VB 11—INVESTMENT MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

Answer all ten questions.

Choose the correct answer :

1. Stock mutual fund is also called :

- (a) Open end fund. (b) Closed end fund.
(c) Growth fund. (d) Equity fund.

2. An investor becomes the owner of a company to the extent of the capital invested by him in :

- (a) Debts (b) Equities.
(c) Mutual funds. (d) None of the above.

3. Which of the following contracts are standardised and hence traded in stock exchanges ?

- (a) Forward contract. (b) Future contract.
(c) Options. (d) None of the above.

4. Which of the following shares are issued to existing shareholders when the company wishes to raise further capital ?

- (a) Sweet equity. (b) Right issue.
(c) Bonus shares. (d) None of the above.

5. This pools money from investors and invest in different securities :

- (a) Debts. (b) Equities.
(c) Mutual funds. (d) Virtual office.

Fill in the blanks :

6. Exchange traded fund is an investment tool that combines the feature of mutual fund and _____.

Turn over

7. _____ instruments are freely tradable and negotiable.
8. _____ is a financial contract whose value is derived from the value of an underlying asset.
9. _____ are a set of shares or debentures that make up one unit of exchange traded fund.
10. In _____ derivatives underlying assets can be commodities.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

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

11. Define mutual fund.
12. Give a brief account of the history of mutual fund.
13. What is an option ?
14. What is systematic risk ?
15. What is speculation ?
16. What is risk ?
17. What are debts ?
18. What are the advantages of fundamental analysis ?
19. What do you mean by preference shares ?
20. What do you mean by hedging ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

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

21. What are the drawbacks of fundamental analysis ?
22. Distinguish between primary and secondary markets.
23. Explain the characteristics of investment.
24. What are the characteristics of equity shares ?
25. What are the features of capital market ?

26. What are the different types of risk ?
27. What are the criticisms raised against technical analysis ?
28. Discuss the different types of bonds.

(6 × 4 = 24 marks)

Part IV (Essay Questions)

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

29. Define stock exchange. What are the advantages of stock exchange ?
30. Define investment. Discuss the important steps in an investment decision process.
31. What do you mean by Securities and Exchange Board of India ? Mention its important functions of Securities Exchange Board of India ?

(2 × 15 = 30 marks)