

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2018

(CUCBCSS—UG)

BBA VB 11—FINANCE SPECIALIZATION II—INVESTMENT MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

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

1. 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.
2. This is a market for medium and long term funds.
 - (a) Money market.
 - (b) Capital market.
 - (c) Commodity market.
 - (d) None of the above.
3. UTI was established in the year.
 - (a) 1961.
 - (b) 1964.
 - (c) 1963.
 - (d) None of the above.
4. 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.
5. The variability in security's returns resulting from changes in the level of interest rates is referred to as :
 - (a) Market risk.
 - (b) Interest rate risk.
 - (c) Purchasing power risk.
 - (d) Regulation risk.

Fill in the blanks :

6. _____ instruments are freely tradable and negotiable.
7. Exchange traded fund are essentially _____ funds that are traded on exchanges.
8. _____ risk is considered diversifiable risk.
9. _____ is a financial contract whose value is derived from the value of an underlying asset.
10. _____ contract is a type of derivatives contract which gives the buyer or holder of the contract the right but not the obligation to buy or sell the underlying asset.

(10 × 1 = 10 marks)

Turn over

Part II (Short Answer Questions)

Answer any **eight** out of the ten questions in two or three sentences.
Each question carries 2 marks.

11. What is investment ?
12. What is systematic risk ?
13. What are closed end mutual funds ?
14. What do you mean by future contract ?
15. What are mutual funds ?
16. What is speculation ?
17. What is capital market ?
18. What is risk ?
19. What do you mean by technical analysis ?
20. What do you mean by on-line trading ?

(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. Explain the characteristics of investment.
22. What are the difference between fundamental analysis and technical analysis ?
23. What are the features of primary market ?
24. What are the characteristics of equity shares ?
25. Explain the different uses of derivatives.
26. What are the investment alternatives available for investing ?
27. What are the features of capital market ?
28. What are the types of debentures ?

(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 are exchange traded funds? What are its salient features ?
30. Define stock exchange. What are the advantages of stock exchange ?
31. Define mutual fund. What are the problems of mutual fund in India ?

(2 × 15 = 30 marks)