MCOSC4.2A/D

Sl.No. :

Total No. of Pages : 2

IV Semester M.Com. Degree Examination, November - 2024
(SLM Scheme, CBCS)
COMMERCE
Course - III : Investment Management

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any Four questions. Each question carries 5 marks. **[4×5=20]**

Q1) Define investment and explain its features.

Q2) Differentiate between investment and arbitrage.

Q3) What is the role of financial institutions in India?

Q4) What are the limitations of CAPM model?

Q5) What are the objectives of SEBI?

Q6) Listout various investment avenues available to investors.

SECTION - B

Answer any Three questions. Each question carries 10 marks. **[3×10=30]**

Q7) Discuss the legislative measures taken to regulate the financial system in India.

Q8) Explain the SEBI guidelines for the issue of securities in the New Issue Market.

Q9) Explain the derivative instruments such as forwards, futures, and swaps.

Q10) Calculate the expected return on a portfolio consisting of two assets with the following details : Asset A has an expected return of 10% and constitutes 40% of the portfolio, while Asset B has an expected return of 15% and constitutes 60% of the portfolio.

Q11) A stock is currently priced at ₹200. It is expected to pay a dividend of ₹8 next year, and its price is expected to be ₹220 at the end of the year. Calculate the expected rate of return.

SECTION - C

Answer any Two questions. Each question carries 15 marks. **[2×15=30]**

Q12) Discuss the fundamental approach to investment and the valuation of equity shares.

Q13) Explain the process of portfolio construction and the criteria for evaluating portfolio performance using Sharpe's Performance Index, Treynor's Measure, and Jensen's Model.

Q14) A bond with a face value of ₹1,000 pays an annual coupon of 8% and has 5 years to maturity. If the required rate or return is 10%, calculate the current price of the bond.

Q15) Using the CAPM model, calculate the expected return of a stock with a beta of 1.5, if the risk-free rate is 6% and the expected market return is 14%.

