MCOSC-4.2A/D

Sl.No. : **Total No. of Pages : 3**

IV Semester M.Com. Degree Examination, Oct./Nov. - 2025
(CBCS, SLM Scheme)
COMMERCE
Course - III :4.2 A/D Investment Management

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

Instruction : Answer all the sections.

SECTION - A

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

Q1) What are the differences between technical analysis and fundamental analysis?

Q2) What is a bar chart and line chart?

Q3) What are steps involved in portfolio construction?

Q4) What is variance and standard deviation?

Q5) Briefly describe the functions of financial markets.

Q6) What is the relationship between risk and return for efficient portfolios?

SECTION - B

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

Q7) What is portfolio revision? Explain the need for portfolio revision.

Q8) Describe the industry life cycle. What are its implications for the investor?

Q9) Explain the assumptions of the technical analysis and its relevance in predicting future price of stocks.

Q10) The probabilities and the associated returns of modern foods its are given below :

Return %	12	15	18	20	24	26	30
Probability	0.05	0.10	0.24	0.26	0.18	0.12	0.05

Calculate the expected returns & standard deviation.

Q11) The current dividend on an equity share of Supreme technology is ₹3. Supreme technology is expected to enjoy an above normal growth rate of 40 percent for 5 years. Thereafter, the growth rate will fall and stabilize at 12 percent. Equity investors require a return of 15 percent from Supremes' stock. What is the intrinsic value of the equity share of Supreme technology?

SECTION - C

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

Q12) Describe the key initiatives taken by SEBI to reform the Indian capital market.

Q13) What is efficient market hypothesis? Explain the forms of market efficiency.

Q14) The following information is available.

	Stock X	Stock Y
Expected return	15%	13%
Standard deviation	14%	9%

Coefficient of correlation 0.60.

a) What is the covariance between stock X and Y?

b) What is the expected return and risk of a portfolio in which X and Y have weights of 0.6 and 0.4?

Q15) The returns of two assets under four possible states of nature are given below :

State of nature	Probability	Return on asset 1	Return on asset 2
1	0.10	5%	0%
2	0.30	10%	8%
3	0.50	15%	18%
4	0.10	20%	26%

a) What is the standard deviation of the return on assets 1 and 2?

b) What is the covariance between the returns on assets 1 and 2?

c) What is the coefficient of correlation between the returns on assets 1 and 2?