

Roll No.

12632

**MBA 2 Yr. 3rd Semester New Scheme
2019-20**

Examination – March, 2021

INVESTMENT MANAGEMENT

Paper : 20IMG23GF4

Time : Three Hours]

[Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Section – A is *compulsory*. Attempt *one* question from each Unit in Section – B. All questions carry equal marks.

SECTION – A

1. Briefly explain the following :
 - (a) Speculator
 - (b) Deep discount bonds
 - (c) Unsystematic risk
 - (d) Holding period return

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- (e) Balance of payments
- (f) Bar Chart
- (g) Arbitrage price
- (h) Variable ratio plan

SECTION – B

UNIT – I

2. Explain the motives for and process of investment.
3. Discuss the objectives and functions of SEBI. Which steps have been taken by SEBI for protecting investors interests ?

UNIT – II

4. Weekly closing prices of two stocks A and B are shown below :

Week	1	2	3	4	5	6
Price of A	90	84	87	85	81	84
Price of B	60	57	55	54	52	58

Which stock has (i) higher risk and (ii) higher return

5. Discuss various types of unsystematic risk. How can an investor protect himself against them ?

UNIT – III

6. What is the importance of industry analysis for an investor ? Which variables are considered in economic analysis ?

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7. Describe the different trends given in Dow theory. How can it be used to determine the direction of the stock market ?

UNIT – IV

8. You are given the following information about two stocks Y and Z :

Probability of Occurrence	Rate of return (%)	
	Y	Z
0.20	22	5
0.60	14	15
0.20	-4	25

- (a) Determine expected return and risk for each stock. Is stock Y less risky.
 - (b) If an investor invests 50% of total investment, each in Y and Z, would it reduce the risk ? Show.
9. Write notes on :
 - (a) Random walk theory
 - (b) Efficient market hypothesis

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