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Roll No.

BCH-604(F3)

B. COM. (H) (SIXTH SEMESTER)

MID SEMESTER

EXAMINATION, April, 2023

INVESTMENT MANAGEMENT

Time : 1½ Hours

Maximum Marks : 50

Note : (i) Answer all the questions by choosing any *one* of the sub-questions.

(ii) Each sub-question carries 10 marks.

1. (a) What is the meaning of Investment ? How is it different from Speculation ? Explain the objectives of Investment. (CO1)

OR

- (b) What is a stock market index ? Discuss the difference between BSE stock index and NIFTY index. (CO1)

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2. (a) What is primary market ? Describe the market participants of the secondary market. (CO1)

OR

- (b) Define risk and distinguish between systematic and unsystematic risk. (CO1)
3. (a) "Stocks are considered to be risky but bonds are not." This is correct or not ? Elucidate. (CO2)

OR

- (b) Explain the different types of systematic risks. Explain in detail. (CO2)
4. (a) A stock costing ₹ 100 pays no dividend. The possible prices of the stock at the end of year and their probabilities are given below : (CO2)

End of year price	Probability
120	0.1
130	0.2
140	0.4
150	0.2
160	0.1

- (i) Find out the expected return.
(ii) Find out the standard deviation of the returns.

(3)

OR

- (b) Ann's bond portfolio manager advises her to buy seven-year, ₹ 5,000 face value bond that gives 8% annual coupon payments. The appropriate discount rate is 9%. The bond is currently selling at ₹ 4,700. Should Ann adhere to the manager's advice ?

(CO2)

5. (a) What are bonds ? Discuss the different types of bonds. (CO2)

OR

- (b) What do you mean by Credit Rating ? What are the main objectives of credit rating ? Explain important factors influencing the credit rating. (CO2)

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