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Roll No.

BCH-604 (F3)

**B. COM. (H) (SIXTH SEMESTER)
END SEMESTER**

EXAMINATION, June, 2023

INVESTMENT MANAGEMENT

Time : Three Hours

Maximum Marks : 100

Note : (i) All questions are compulsory.

(ii) Answer any *two* sub-questions among
(a), (b) and (c) in each main question.

(iii) Total marks in each main question are
twenty.

(iv) Each sub-question carries 10 marks.

1. (a) Define investment. Explain different objectives of Investment. (CO1)
- (b) Define unsystematic risk. Explain the sources of unsystematic risk. (CO1)
- (c) Explain bonds. Also explain different features of bonds. (CO1)

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BCH-604 (F3)

2. (a) Explain efficient market hypothesis in detail. (CO2)
- (b) Explain portfolio diversification. Explain also different objectives of portfolio diversification. (CO2)
- (c) Explain the role of SEBI for the protection of investor in stock exchanges. (CO2)
3. (a) Differentiate between Primary market and Secondary market. (CO3)
- (b) Explain different types of systematic risk in detail. (CO3)
- (c) Explain the different market participants in Indian securities market. (CO3)
4. (a) The return of ABS company at present is 21%. This is assumed to continue for the next five years and after that it is assumed to have a growth rate of 10%- indefinitely. The dividend paid for the years 2018-19 is 32%. The required rate of return is 20 percent and present price is ₹ 114. What is the estimated price according to the two stage model ? (CO4)

(3)

- (b) What are financial derivatives? Explain different types of Derivatives. (CO4)
- (c) Differentiate between forward and future Derivatives in detail. (CO4)
5. (a) An investor wants to choose either X and Y company's stock. Both the companies are not paying dividends. X company stock is currently selling for ₹ 50 and Y ₹ 100. At the end of the year ahead there is probability for X to be sold either for ₹ 71 and ₹ 67 and Y either for ₹ 127 or ₹ 123. Which company's scrip should the investor buy ? Justify your answer. (CO5)
- (b) What are some of the common grievances of an investor ? Give the process of redress system. (CO5)
- (c) What is a stock market index ? Discuss the differences between BSE stock Index and NIFTY index. (CO5)

BCH-604 (F3)