

Total No. of Questions: 6

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Enrollment No.....



Faculty of Commerce
End Sem (Odd) Examination Dec-2019
CM3EB01 Fundamentals of Investment

Programme: B.Com.(Hons) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Investment are the: 1
(a) Net additions made to the nation's capital stocks
(b) Person's commitment to buying a flat or a house
(c) Employment of funds on assets to earn returns
(d) Employment of funds on goods and services hat are used in the production process
- ii. Speculator is a person: 1
(a) Who evaluates the performance of the company
(b) Who uses his own funds only
(c) Who is willing to take high risk for high return
(d) Who consider here says and market behaviours
- iii. For investor protection SEBI designs policier by taking 1
consideration:
(a) Protection of investor
(b) Registration of Intermediaries
(c) Encourage education among investors
(d) All of these
- iv. SEBI has constituted a committee for: 1
(a) Fair market conduct (b) Manufacturing market conduct
(c) Partial market conduct (d) Both (a) and (b)
- v. Primary and secondary markets: 1
(a) Compete with each other (b) Complement each other
(c) Function independently (d) Control each other

P.T.O.

[2]

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|-------|---|----------|
| vi. | SEBI has made it mandatory for companies to disclose: | 1 |
| | (a) The yearly annual report | |
| | (b) Monthly report and annual report | |
| | (c) Quarterly report and annual report | |
| | (d) Monthly review and annual report | |
| vii. | Identify the uncontrollable risk of a company | 1 |
| | (a) Labour problem (b) Increase in loan service charges | |
| | (c) Cut in subsidy (d) Technological obsolescence | |
| viii. | Interest rate risk occurs when: | 1 |
| | (a) The market price of bond moves inversely to the prevailing market interest rate | |
| | (b) The variability in yield is due to the market interest rate fluctuations | |
| | (c) There is variability in the coupon interest rates | |
| | (d) All of these | |
| ix. | Total portfolio hazards is: | 1 |
| | (a) Equal to systematic risk plus diversifiable risk | |
| | (b) Equal to systematic risk plus unavoidable risk | |
| | (c) Equal to avoidable risk plus diversifiable risk | |
| | (d) Equal to systematic risk plus no diversifiable risk | |
| x. | The object of portfolio is to reduce by diversification: | 1 |
| | (a) Return (b) Risk (c) Uncertainty (d) Percentage | |

Q.2

Attempt any two:

- | | | |
|------|---|----------|
| i. | What are the types of investment avenues? | 5 |
| ii. | Describe investment decision process. | 5 |
| iii. | Write note on- | 5 |
| | (a) Difference between speculation & gambling | |
| | (b) Inflation on investment | |

Q.3

Attempt any two:

- | | | |
|------|--|----------|
| i. | What is the investment protection guidelines? | 5 |
| ii. | Describe any five roles of SEBI in stock exchange. | 5 |
| iii. | What is the investment grievance redressal system? | 5 |

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Q.4

Attempt any two:

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|------|--|----------|
| i. | Describe the Indian security market. | 5 |
| ii. | What is open ended and close ended investment? | 5 |
| iii. | Explain the market participants? | 5 |

Q.5

Attempt any two:

- | | | |
|------|---|----------|
| i. | Define systematic and unsystematic risk? | 5 |
| ii. | How can we measure the risk? | 5 |
| iii. | Write note on- | 5 |
| | (a) Bonds and shares (b) Sources of risk | |

Q.6

Attempt any two:

- | | | |
|------|---|----------|
| i. | Describe the portfolio management process. | 5 |
| ii. | What is the selection of securities for portfolio management? | 5 |
| iii. | Describe any five objectives of portfolio management. | 5 |

Marking Scheme
CM3EB01 Fundamentals of Investment

Q.1	i.	Investment are the:	1
		(c) Employment of funds on assets to earn returns	
	ii.	Speculator is a person:	1
		(d) Who consider here says and market behaviours	
	iii.	For investor protection SEBI designs policier by taking consideration:	1
		(d) All of these	
	iv.	SEBI has constituted a committee for:	1
		(d) Both (a) and (b)	
	v.	Primary and secondary markets:	1
		(b) Complement each other	
Q.2	vi.	SEBI has made it mandatory for companies to disclose:	1
		(c) Quarterly report and annual report	
	vii.	Identify the uncontrollable risk of a company	1
		(c) Cut in subsidy	
	viii.	Interest rate risk occurs when:	1
		(d) All of these	
	ix.	Total portfolio hazards is:	1
		(a) Equal to systematic risk plus diversifiable risk	
	x.	The object of portfolio is to reduce by diversification:	1
		(b) Risk	
Q.3		Attempt any two:	
	i.	What are the types of investment avenues	5
	ii.	Describe investment decision process.	5
	iii.	Write note on-	5
		(a) Difference between speculation & gambling 2.5 marks	
Q.4		(b) Inflation on investment 2.5 marks	
		Attempt any two:	
	i.	What is the investment protection guidelines	5
	ii.	Describe any five roles (1 mark*5)	5
	iii.	What is the investment grievance redressal system (Stepwise Marking)	5

Q.4		Attempt any two:	
	i.	Indian security market.(2 Types of market) (2.5 marks*2)	5
	ii.	Two types of investment) (2.5 marks*2)	5
Q.5	iii.	Market participants (1 mark*5)	5
		Attempt any two:	
	i.	Define systematic 2.5 marks	5
		Define Unsystematic risk? 2.5 marks	
	ii.	Measure the risk (Stepwise marking)	5
	iii.	Write note on-	5
		(a) Bonds and shares 2.5 marks	
Q.6		(b) Sources of risk 2.5 marks	
		Attempt any two:	
	i.	Portfolio management process. (Stepwise marking)	5
	ii.	Securities for portfolio management (Stepwise marking)	5
	iii.	Five objectives of portfolio management. (1 mark*5)	5
