



End Term (Odd) Semester Examination November 2025

Roll no.....

Name of the Course and semester: B. Com (H) & V

Name of the Paper: Investment Analysis & Portfolio Management

Paper Code: BCH 504(F7)

Time: 3-hour

Maximum Marks: 100

Note:

- (i) All the questions are compulsory.
- (ii) Answer any two sub questions from a, b and c in each main question.
- (iii) Total marks for each question is 20 (twenty).
- (iv) Each sub-question carries 10 marks.
- (v) Please specify COs against each question.

Q1. (2X10=20 Marks)
a. Discuss the characteristics and features of different money market instruments such as T-Bills, Commercial Paper, and Certificates of Deposit. CO1

b. Analyze the effect of liquidity and taxation on an investor's decision to invest in short-term instruments.CO2
c. Compare primary and secondary market and explain the types of trade orders used in the secondary market.CO1

Q2. (2X10=20 Marks)
a. Explain the concept of time value of money and its application in bond pricing fundamentals. CO2
b. Find the present value of Rs. 2000 due in 6 years if money is worth compounded semi-annually.CO2
c. A bond with ₹1,000 face value, 10% coupon rate, and 5-year maturity is currently priced at ₹950. Compute its Yield to Maturity (YTM). CO3

Q3. (2X10=20 Marks)
a. A company has just distributed a dividend of ₹5 (D_0). The dividend is projected to grow at 10% annually for the next four years, after which the growth rate will decline to 5% per year indefinitely. If the required rate of return is 12%, determine the current intrinsic value of the stock (P_0).CO3
b. Briefly explain the purpose and components of the income statement, balance sheet, and cash flow Statement in financial analysis.CO1
c. Compare and contrast absolute (intrinsic) valuation and relative valuation approaches for common stocks.CO4



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Q4.

(2X10=20 Marks)

- a. Explain how diversification contributes to lowering portfolio risk and describe the general approach to calculating portfolio variance.CO4
- b. Mr. Rohit holds a portfolio consisting of two stocks — Stock A and Stock B. Stock A has a standard deviation of returns of 0.7, while Stock B has a standard deviation of 0.8. The correlation coefficient between the two stocks is 0.9. If Mr. Rohit invests equal amounts in both stocks, calculate the portfolio risk (standard deviation) using the given data.CO4
- c. Amani stock will pay a dividend of Rs 1.5 next year. Its current price is Rs.35.5 per share. The beta for the stock is 1.05 and the expected return on the market is 12.5%. If the riskless rate is 7.2%, what is the expected growth rate of Amani? CO3

Q5.

(2X10=20 Marks)

- a. Differentiate between active and passive portfolio management strategies. Discuss the merits and limitations of each approach.CO5
- b. Describe the various types of mutual funds - equity funds, bond funds, index funds, money market funds, and fund of funds.CO5
- c. Differentiate between open-ended and closed-ended funds. Discuss their advantages and disadvantages from the perspective of liquidity and investor preference. CO5