



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
OCTOBER 2013 EXAMINATION**

COURSE CODE: ENT 331

CREDIT UNIT: 2

COURSE TITLE: INVESTMENT MANAGEMENT ANALYSIS I

TIME ALLOWED: 2 HRS

Instructions: 1. Attempt question Number one (1) and any other two (2)

questions.

2. Question number 1 carries 30 marks, while the other

questions carry 20 marks each

3. Present all your points in coherent and orderly manner

QUESTION 1

- a) Who is an investment banker? explain the roles of an investment banker
- b) Let us assume that a corporation has N50million assets, owes N30million in various forms of short and long term debt, and has N10 worth of preferred stock outstanding. What is the book value of the firm?
- c) Give detailed explanation of the following terms used in investment:
 - a) Bonds
 - b) Preferred stock
 - c) Convertible Securities
 - d) Derivative Security

QUESTION 2

- a) What are common stocks?
- b) Advantages and disadvantages of holding common stock
- c) Explain the term "par value" and "book value" of common stock

QUESTION 3

- a) List and explain the types of capital markets we have
- b) What is an investment? List the participants in the investment process
- c) List and explain the various classes of income?

QUESTION 4

- a) What are Short-Term investment instruments? Give five (5) examples of such instruments?
- b) Who is an institutional investor? Explain
- c) List and explain the key factors affecting level of return

QUESTION 5

- a) Briefly explain Diversifiable and Non-diversifiable risk
- b) Explain the following:
 - i. Event Risk
 - ii. Liquidity risk
 - iii. Finance Risk
 - iv. Interest Rate Risk