



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
JUNE/JULY 2017 EXAMINATION

COURSE CODE: ENT 331 **CREDIT UNIT:** 2
COURSE TITLE: INVESTMENT MANAGEMENT ANALYSIS I
TIME ALLOWED: 2 HOURS.

Instructions: 1. Attempt Question 1 and any other two (2) Questions.
2. Question 1 is compulsory and carries 30 marks. While the other 2 Questions carry 20 marks each.
3. Present all your points in coherent and orderly manner

Questions

- 1a. Explain the three (3) basic types of financial futures?
- b. List and explain five (5) important economic variables that can significantly affect the level of interest rate.
- c. Explain the advantages and disadvantages of holding preferred stock **30marks**

- 2a. Discuss the roles of key players in a mutual fund.
- b. List and explain the factors affecting the level of return? **20marks**

- 3a. Explain the following under the term structure of interest rate:
 - i. Expectations hypothesis
 - ii. Liquidity preference theory
 - iii. Market segmentation theory
- b. What are the advantages and disadvantages of holding common stock **20marks**

- 4a. What do you understand by Margin trading? Explain three (3) types of fixed income securities.
- b. Why do Common Stock Appeal to Investors? **20marks**

- 5a. Briefly explain the following
 - i. Preferred stock
 - ii. Convertible securities
 - iii. Futures
 - iv. Derivative securities
- b. Briefly explain the term “Over-the-Counter market?” **20marks**