



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
MARCH/APRIL 2016 EXAMINATION
SCHOOL OF MANAGEMENT SCIENCES

Course Code: ENT 331

Credit Unit: 2

Course Title: INVESTMENT MANAGEMENT ANALYSIS I

time allowed: 2 HOURS

Instructions:

- 1. Attempt question number one (1) and any other (2) questions.**
- 2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each.**
- 3. Present all your points in coherent and orderly manner.**

QUESTION 1

- a) List and explain five (5) important economic variables that can significantly affect the level of interest rates.
- b) Explain the advantages and disadvantages of holding preferred stocks.
- c) Discuss the roles of key players in a mutual fund.

QUESTION 2

- a) Explain the three (3) basic types of financial futures?
- b) List and Explain Five (5) sources of risk?

QUESTION 3

- a) Why do common stocks appeal to investors? Discuss.
- b) What are options trading? List five (5) types of financial assets.

QUESTION 4

- a) What do you understand by Margin trading? Explain three (3) types of fixed income securities
- b) List and explain five (5) various types of investment

QUESTION 5

- a) Explain the following under the term structure of interest rates:
 - i. Expectations hypothesis
 - ii. Liquidity Preference Theory
 - iii. Market Segmentation Theory
- b) List and explain the various types of derivative securities.