



LIBRARY
Brainware University
Barasat, Kolkata -700125

BRAINWARE UNIVERSITY

Term End Examination 2024-2025 Programme – B.Com.(AFB)-Hons-2022 Course Name – Investment and Risk Management Course Code - BCMD601A (Semester VI)

Ful	Marks: 60		Time: 2:30 Hours		
[The figure in the margin indicates full mar	ks. Candidates are required to g			
		ds as far as practicable.			
		as as as practicality			
		Group-A			
	(Multiple (Choice Type Question)	1 x 15=15		
1.	Choose the correct alternative from the j		1 X 13-13		
	the same to	periodicing .			
(i)	Name the fund Employed for achieving	additional in some			
(.)	inproved for deflicating t				
	a) Investment	b) Speculation			
/i:\	c) Gambling	d) Arbitraging			
(11)	Calculate percentage of holding period return from an equity share purchased at Rs.20				
	on 1st January 2024 and sold at Rs.25 or	n 31st December2024			
	a) 20	b) 25			
4	c) 30	d) 35			
(iii)	Identify a combination of various investr	ment product like			
	a) Portfolio	b) Investment			
	c) speculation	d) Gambling			
(iv)	Name the organisation that controls capital market of India				
	a) SEBI	b) EBI			
	c) IRDA	d) NABARD			
(v)	Calculate future value after 3 years from		ounding rate of 6		
	percent.	1.50	The state of the state of		
	a) Rs238	b) Rs250			
	c) Rs200	d) None of these			
(vi)	Identify Speculator	d) None of these			
(01)	mental in the contract the first of a softwarfs of the contract of the first of the first of the contract of t	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)			
	a) He evaluates the performance of the	b) He uses his own fur	nds only		
	company		•		
	c) He is willing to take high risk for high	d) He considers here s	ays and market		
/::N	returns	behaviours			
(VII)	Identify the security not traded in money	у тагкет.			

b) National savings certificate

d) Commercial paper

a) Treasury bills

c) Certificate of deposit

(viii)	Identify an option below that doe not indicate a instrument.	characteristic of a money market	
(ix)	Liquidity Low risk /rite the uncontrollable risk that can occur in understated situations		
	a) Labor problemc) Cut in subsidyIn Bar chart horizontal dash on right side of the	b) Increase in loan service chargesd) Technological obsolescence	
	a) Highest price of the dayc) opening price of the dayName the person formulated Technical analysis	b) Lowest price of the dayd) Closing price of the day	
(xii)	a) Markowitzc) Charles H. DowIn investment compounded growth rate is determined	b) Sharp d) None of thes ermined by	
(xiii)	a) Medianc) Harmonic meanWrite the incorrect statement when relation b is studies	b) Arithmetic mean d) Geometric mean etween bond price and discounting rate	
	a) Increase in interest rate indicates high risk for bondc) Zero interest rate Bond price is also zero	b) Risky bonds are theoretically sold at lo price in the marketd) Price of bond is always positive	ow .
(xiv	Risky investment situation occurs when	d) Price of bolid is always positive	
	a) Basis of data are not uniquec) Different data under different but limited alternatives	 b) Same data under different alternative d) Number of alternatives are unlimited 	
(xv)	Describe the correct answer. Net wealth of the of	e aggregate economy is equal to the sum	
	a) All real assets c) all physical assets	b) All financial assetsd) All real and financial assets	
	Gro	oup-B	
		Type Questions)	3 x 5=15
3. W	refine insider trading and explain its impact on Vrite the ways of SEBI regulating stock market in splain Efficient frontier of Markowitz Portfolio theory. Expl	ntermediaries to protect investors.	(3) (3) (3)
5. D	ifferentiate between Speculators and Arbitragers.		(3)
6. E	Explain Capital Asset Pricing Model in brief		(3)
		OR	
	spected return of a security in CAPM depend upon standants is statement. Use SML concept here		ess of (3)
	G. G.	roup-C	

7. Current Market Price of a share is Rs.750. It is expected that company will pay Dividend of Rs.5 per share. At the end of the year. An investor buys 200 numbers of share today and hold it for one year. It is expected that price of

(Long Answer Type Questions)

5 x 6=30

LIBRARY
Brainware University
Barasat, Kolkata -70012F

share will be Rs.1145 after one year. Calculate holding period return. Break it into Dividend return and Capital gain/(loss).

8.	Differentiate between systematic and unsystematic risks.		
		(5)	
9.	Secondary market is a must in spite of existence in primary market. Evaluate this statement.	(5)	
10.	A share of Rs.100 is currently available in the market at Rs.85. After one year its expected price is Rs Rs.92. Beta value of security is 1.2. Risk free interest rate is price of security.	(5)	
11.	Nominal value of Bond is Rs.1,000. Coupon rate 12%. Maturity period 3 years. Other bonds are paying 10% coupon. Calculate bond duration.	(5)	
12	. Differentiate between Maturity period and duration of Bonds	(5)	
	OR Cofactor of security A=0.9919. Cofactor of security B is 1.0737. Standard deviation of A is 12.9552 and for B is 11.2690; x is investment of one rupee proportion in bond A. It is 0.4. Covariance between A and B is -144.2551	(5)	
	Analyse whether investment in the portfolio is justified or not		