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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)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :
 - (i) Name the fund Employed for achieving additional income
 - a) Investment
 - b) Speculation
 - c) Gambling
 - d) Arbitraging
 - (ii) Calculate percentage of holding period return from an equity share purchased at Rs.20 on 1st January 2024 and sold at Rs.25 on 31st December 2024
 - a) 20
 - b) 25
 - c) 30
 - d) 35
 - (iii) Identify a combination of various investment 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 Rs.200 investment at a compounding rate of 6 percent.
 - a) Rs238
 - b) Rs250
 - c) Rs200
 - d) None of these
 - (vi) Identify Speculator
 - a) He evaluates the performance of the company
 - b) He uses his own funds only
 - c) He is willing to take high risk for high returns
 - d) He considers here says and market behaviours
 - (vii) Identify the security not traded in money market.
 - a) Treasury bills
 - b) National savings certificate
 - c) Certificate of deposit
 - d) Commercial paper

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 4.50%. Expected return from market index is 11.5%. Calculate and comment on the 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. (5)
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

Analyse whether investment in the portfolio is justified or not
