



BRAINWARE UNIVERSITY

Term End Examination 2023-2024 Programme - B.Com.(BF)-Hons-2021 **Course Name – Fundamentals of Investment Course Code - BCMD603A** (Semester VI)

Time: 2:30 Hours Full Marks: 60

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

| | Gro | up-A |
|---|--------|------|
| 2 | Choice | Type |

(Multiple Choice Type Question)

1 x 15=15

- Choose the correct alternative from the following: (i) Match the markets belongs to Stock exchange. b) Secondary Market a) Primary Market d) Primary, Secondary and Money Markets c) Primary and secondary market (ii) Show from the following an item that is not coming under investment. b) Recurring deposits a) Fixed deposits d) Current account deposits c) Savings bank deposits (iii) Define Real estate Investment.
- - a) Investment in houses

b) Investment in Flats

c) Investment in Bunglows

- d) All of these
- (iv) Match Money market instruments from the followings
 - a) Treasury Bills

b) Certificates of Deposits

c) Commercial papers

- d) All of these
- (v) Name the funds employed for achieving additional income.
 - a) Investment

b) Speculations

c) Gambling

- d) Bidding
- (vi) Show the environment where Rising of prices and falling of standard of living is observed.
 - a) Inflation

b) Boom period

c) Normal period

- d) Deflation
- (vii) Show the effect of increase in interest rate of nation, on fixed interest corporate bond.
 - a) decrease in value

b) returned to the corporate

c) remains unchanged

- d) increase in value
- (viii) Apply your knowledge to calculate holding period return, when an investor purchased an equity share on 1.1.2020 by Rs.20 and sold the share on 31.12.2020 at Rs.25.
 - a) 20 percent

b) 25 percent

c) 50 percent

d) 10 percent

| (ix) Calculate average return of a share, if Holding are 10%, 15% and 20% respectively. | period return of a snare for year 1 to 3 | |
|--|---|-----------|
| a) 10 percent | b) 20 percent | • |
| c) 15 percent | d) 12 percent | |
| (x) Explain the concept of Interest on Bond. | | |
| a) allocation of profit | b) charge against profit | |
| c) retention of profit | d) none of these | |
| (xi) Calculate expected return of portfolio from the | given informations. An investor create | S |
| a portfolio of stock A and stock B in a mix of 60 stocks A and B are 20% and 10% respectively. |)% and 40%. The expected return of | |
| a) 20 percent | b) 10 percent | |
| c) 16 percent | d) none of these | |
| (xii) Calculate future value of investment after 3 ye compounding rate of 6%. | ars, if Rs.200 is invested at a | |
| a) Rs.230 | b) Rs.250 | |
| c) Rs.200 | d) none of these | |
| (xiii) Relate the expectation of an investor committee | ed money for very short period. | |
| a) Return from price fluctuation | b) Dividend | |
| c) Benefit from both price variation and dividend | d) none of these | |
| (xiv) Relate the item that is not considered in deteri | nining expected return of a portfolio. | |
| a) Probabilities of expected returns of individual assets | b) Weight of each individual asset to portfolio value | total |
| c) | d) All of the above must be known in | order to |
| Expected return of each individual asset | determine the expected return of portfolio | |
| (xv) Identify expected return If probability of occur | • | |
| a) average return being assigned to return of security for the various scenarios | b) weighted average of probabilities assigned to return of security for various scenarios | 100 |
| c) weighted average return with probabilities | d) weighted average return multiplie | |
| being assigned to return of security for the various scenarios | with probabilities being assigned | to return |
| various scenarios | of security for the various scenari | os |
| Cmo. | D | |
| Gro u (Short Answer T | • | |
| (Short Allswell) | ype Questions) | 3 x 5=15 |
| 2. Discuss the factors influencing the investment env | dronne aut | 12 |
| 3. Describe the role of economic indicators in the inv | vostment. | . (3) |
| 4. Describe the differences between fundamental ar | restrient environment. | (3) |
| 5. Describe the relationship between risk and return | id technical analysis. | (3) |
| 5. Describe the relationship between risk and return | in portfolio management. | (3) |
| 6. Evaluate the impact of asset allocation on portfoli | | (3) |
| Explain the concept of rick adjusted not were | | |
| Explain the concept of risk-adjusted return in port | folio management. | (3) |
| Grou | | |
| (Long Answer Ty | /pe Questions) | 5 x 6=3 |
| 7. Describe the role of asset allocation in portfolio | analysis. | (5) |
| 8. Discuss the importance of benchmarking in portfolio analysis | | |
| 9. Discuss the importance of liquidity analysis in no | rtfolio managament | (5) |
| 10. Describe the impact of interest rate changes on | Portfolio analysis | (5) |
| | | (5) |

| 11. Explain the concept of duration and its significance in fixed income investing. 12. Explain the difference between government and corporate bonds. | (5) (5) |
|--|------------|
| OR | |
| Explain the impact of interest rate changes on fixed income securities. | |
| | |
