



BRAINWARE UNIVERSITY

Term End Examination 2023-2024
Programme – B.Com.(BF)-Hons-2021
Course Name – Fundamentals of Investment
Course Code - BCMD603A
(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) Match the markets belongs to Stock exchange.
- | | |
|---------------------------------|---|
| a) Primary Market | b) Secondary Market |
| c) Primary and secondary market | d) Primary, Secondary and Money Markets |
- (ii) Show from the following an item that is not coming under investment.
- | | |
|--------------------------|-----------------------------|
| a) Fixed deposits | b) Recurring deposits |
| c) Savings bank deposits | d) Current account deposits |
- (iii) Define Real estate Investment.
- | | |
|----------------------------|------------------------|
| a) Investment in houses | b) Investment in Flats |
| c) Investment in Bungalows | 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 |

11. Explain the concept of duration and its significance in fixed income investing. (5)
12. Explain the difference between government and corporate bonds. (5)

OR

Explain the impact of interest rate changes on fixed income securities. (5)
