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398, Ramkrishnapur Road, Barasat
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# BRAINWARE UNIVERSITY

## Term End Examination 2025-2026
## Programme – B.Com.(AFB)-Hons]-2023
## Course Name – Investment Analysis and Portfolio Management
## Course Code - BBF60206
## ( 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) The fundamental analysis approach has been associated with __________. Select the correct answer.

a) Uncertainties b) Certainties
c) Ratios d) Balance Sheet

(ii) The objective of portfolio is to reduce_____.

a) Return b) Risk
c) Uncertainty d) Percentage

(iii) Identify the buying and selling activities of an arbitrager -

a) Fixed Deposits b) Shares
c) NSC d) PPF

(iv) Identify who is a speculator____.

a) Who will not take the high risk for short-term profits b) Who takes the high risk for long-term profits
c) Who takes the high risk for short-term profits d) Who will not expect any profit

(v) Assets are evaluated on the basis of liquidity. Select the Most liquid among them.

a) Investment b) Cash in Hand
c) Debtors d) Bills receivables

(vi) Highly liquid security is______. Select the correct answer.

a) Mutual fund units b) Treasury bills
c) Shares d) Commercial papers

(vii) State the Maximum maturity of commercial paper.

a) 180 days b) 270 days
c) 90 days d) 30 days

(viii) Predict the correct answer of the following: A bond that has no collateral is called _________.

a) Callable Bond
b) Debenture
c) Junk Bond
d) Mortgage

(ix) Choose the correct answer: The Most favorable portfolio is proficient portfolio with the_____.

a) Lowest Risk
b) Highest Risk
c) Highest utility
d) Least Investment

(x) Define call.

a) An option to sell stock at a specified price
b) An option to buy a stock at a specified price
c) An option to sell a stock at a specified date
d) An option to buy stock at specified date and price

(xi) Identify the correct answer. A person has purchased treasury bills since.

a) The returns are certain
b) Minimum variation in the return
c) The return is certain and the variation is nil
d) There is assurance of full payment of principle

(xii) Identify the correct answer. Markowitz approach has roots in_____.

a) Good portfolio management
b) Proper entry in and exit from the market
c) Estimation of stock return
d) Analysing the risk and return related to stock

(xiii) Bonds have ....... Interest returns and less variability of returns. Identify the correct answer.

a) Variable
b) Inconsistent
c) Fixed
d) predicted

(xiv) Identify the correct answer. A person has purchased two shares X and Y. It will eliminate risk if_______.

a) r=+0.2
b) r=-1
c) r=0
d) r=0.1

(xv) Identify the correct answer. With the rise in interest rate, the price of preferred stock.

a) is not affected
b) rises
c) falls
d) may rise or fall

## Group-B

(Short Answer Type Questions) 3 x 5=15

2. Define the concept of investment as a commitment of funds. (3)
3. Explain the purpose of economic analysis. (3)
4. Identify the primary advantages of diversification. (3)
5. Define Efficient Frontier as per the Markowitz Model. (3)
6. Illustrate the CAPM formula for expected return. (3)

**OR**

Distinguish between the CML and the SML. (3)

## Group-C

(Long Answer Type Questions) 5 x 6=30

7. Summarize the core assumptions of underlying technical analysis. (5)
8. Construct a utility curve for a risk-averse investor. (5)
9. Evaluate the usefulness of the SML in identifying overvalued and undervalued securities. (5)
10. Explain the impact of psychological biases on rational investment decision-making. (5)
11. Analyze the effectiveness of factor-based investing in volatile market conditions. (5)
12. Categorize the different operators active in the investment market. (5)

**OR**

Differentiate between systematic and unsystematic risk. (5)

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