

UNDERGRADUATE (C.B.C.S.S.) EXAMINATION, OCTOBER 2012

Fifth Semester

Open Course—INVESTMENT MANAGEMENT

(Offered by Board of Studies in Management)

Time : Three Hours

Maximum Weight : 25

Part A (Objective Type)

*Answer all questions.**Each bunch of four questions carries a weight of 1.**Choose the correct answer from the following.*

I. 1 The components of money market is :

- (a) Government securities market. (b) Bill market.
(c) Primary market. (d) Secondary market.

2 The major player in the Indian money market is :

- (a) Indigenous banks. (b) RBI.
(c) SBI. (d) SEBI.

3. ——— fund is best-sinted for the business people.

- (a) Open ended mutual fund. (b) Closed ended fund.
(c) Growth-oriented fund. (d) Income-oriented fund.

4 Insurance guarantees a variance in the future out come or consumption.

- (a) Higher. (b) Medium.
(c) Lower. (d) None of these.

II. 5 The difference between premiums earned and benefits paid are called :

- (a) Underwriting profit. (b) Underwriting loss.
(c) Both of the above. (d) None of the these.

6 Money markets are markets for short-term financial assets are close substitutes for money usually with maturity of ———:

- (a) Less than one year. (b) Above one year.
(c) Less than two year. (d) Above 465 days.

7 Certificate of deposit, introduced in ———.

- (a) April 1990. (b) June 1989.
(c) April 1987. (d) July 1989.

Turn over

- 8 The depository through its participants works as a link between _____ and prospective shareholders.
- (a) Broker. (b) Bankers.
(c) Jobbers. (d) Issuers.
- III. 9 The Depository Act provides for _____ depository system.
- (a) Single. (b) Double.
(c) Multiple. (d) None of these.
- 10 Financial risk is created by the use of _____.
- (a) Current cost securities. (b) Fixed cost securities.
(c) Current liabilities. (d) None of these.
- 11 Business risk is concerned with earnings _____.
- (a) Before interest and tax. (b) After interest and tax.
(c) Before interest after tax. (d) After interest before tax.
- 12 National stock exchange was set up in _____.
- (a) 1995. (b) 1990.
(c) 1993. (d) 1989.
- IV. 13 The first open-ended investment company in India is :
- (a) UTI. (b) AMC.
(c) SEBI. (d) OTCEI.
- 14 Interest rates represent the _____ of credit.
- (a) Cost. (b) Expenses.
(c) Price. (d) Income.
- 15 Which is the fastest growing derivative financial instruments ?
- (a) Swaps. (b) Forward.
(c) Option. (d) None of these.
- 16 Which exchanges are organised markets for corporate securities :
- (a) Stock. (b) Shares.
(c) Money. (d) All of the above.

(4 × 1 = 4)

Part B (Short Answer Type)

*Answer any five questions.
Each question carries a weight of 1.*

- 17 What is Provident Funds ?
- 18 Briefly explain the kinds of brokers.

- 19 Write a short note on post office savings.
- 20 What do you mean by treasury bill ?
- 21 Define the term "investment" as it relates to securities investment.
- 22 Differentiate between Low risk and High risk investments.
- 23 What are the main functions of stock exchange ?
- 24 What is new issue market ?

(5 × 1 = 5)

Part C (Short Essay/Problem Solving Type)

*Answer any four questions.
Each question carries a weight of 2.*

- 25 Analyse the role of new issue market in financing companies.
- 26 Explain the advantages and disadvantages of mutual funds.
- 27 What are the objectives of investment units ?
- 28 Discuss the different kinds of Life Insurance Policies.
- 29 Difference between Bear and Bull of stock market.
- 30 What is investment companies ?

(4 × 2 = 8)

Part D (Essay Type)

*Answer any two questions.
Each question carries a weight of 4.*

- 31 Explain the different types of investment companies.
- 32 Discuss the features of an investment programme.
- 33 What is government securities ? Discuss the different types of securities.

(2 × 4 = 8)