

SECTION II**[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]****M.Com DEGREE (CSS) PRIVATE EXAMINATION, APRIL 2024**

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DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN**SECTION II OF THE QUESTION PAPER****CM800402MCQ - PERSONAL INVESTMENT AND BEHAVIOURAL FINANCE**

Answer **all** questions.

All questions carry equal weight

Put a tick mark [✓] against the correct answer

1. MTP stands for _____
(a) Money, Transfer, Process (b) Mutual, Time, Process
(c) Money, Time, Probability (d) Machine, Technique, Product
2. Which of the following is not a common risk factor?
(a) Market Risk (b) Promotional Risk
(c) Interest Rate Risk (d) Credit Risk
3. Choose any example for Egocentricity
(a) Overconfidence (b) Self-Referential
(c) A and B (d) Neither A nor B
4. Behavioural Finance Theory is also called
(a) Random Walk Theory (b) Irrational Behaviour Theory
(c) Heuristics (d) Rational Behaviour Theory
5. Heuristics may be classified into
(a) 3 Heuristics (b) 4 Heuristics
(c) 2 Heuristics (d) None of these
6. Bias may be defined as a mental process in which differential weights are placed on the value of an asset
(a) Endowment Bias (b) Emotional Bias
(c) Disposition Effect (d) Personal bias

7. Bias may be defined as where people do not act in their best long term interest or they consume today at the expense of saving for tomorrow
- (a) Cognitive Bias (b) Self-control Bias
- (c) Familiarity Bias (d) Emotional Bias
8. Debt service ratio =
- (a) Monthly debt payments/ Monthly income (b) Monthly income/Monthly debt payments
- (c) Monthly Expenditure /Monthly income (d) Monthly debt payments/monthly expenditure
9. Total risk includes-----
- (a) Systematic risk only (b) Unsystematic risk only
- (c) Both a and b above (d) neither a nor b
10. is a branch of finance which integrate cognitive human psychology and behaviour with the decision making process and studies the influence of psychology and sociology on the behaviour of investors and financial practitioners and their effect on stock market.
- (a) Traditional finance (b) Behavioural finance
- (c) a & b (d) Neither a nor b
11. The largest single institutional owner of common stocks is_____.
- (a) Mutual funds (b) Insurance companies.
- (c) Pension funds. (d) investment plans
12. _____ is an investment feature available with mutual funds through which investors can withdraw from their existing investments in the form of fixed amount at regular interval
- (a) Systematic withdrawal plans (b) Systematic investment plans
- (c) Systematic portfolio plans (d) None of these
13. If the principal and terminal value of an investment is known with certainty , such investment avenues are known as _____
- (a) Variable principal securities (b) Terminal principal securities
- (c) Floating Principal securities (d) Fixed Principal securities
14. The value of bond depends on _____.
- (a) The coupon rate (b) Years to maturity
- (c) All the above (d) none of the above
15. In fundamental analysis, industry analysis is the:
- (a) First step (b) Second step
- (c) Third step (d) Last step

16. Which is the building block of behavioural finance ?
(a) Cognitive psychology (b) Limits to arbitrage
(c) A or B (d) A & B
17. is defined as the awareness of the elements in the environment through physical sensation
(a) Behaviour (b) Perception
(c) Emotions (d) Attitude
18.is the tendency of people to increasingly choose a smaller sooner reward over a larger later reward as the delay occurs sooner rather than later in time
(a) Hyperbolic discounting (b) Exponential discounting
(c) Both a and b (d) None of these
19. _____ means all known information is discounted by the market participants and is fully reflected in stock prices in the unbiased way?
(a) Market price (b) Market Anomalies
(c) Market portfolios (d) Market efficiency
20. Crypto currencies are decentralized networks based on _____
(a) Hybrid technology (b) Block chain technology
(c) Hash graph technology (d) composite technology

No. of MCQ's Attempted :

Weight Score :

(To be entered by the examiner)

No. of MCQ's not Attempted :

**ATTACH SECTION II INTERNAL EXAMINATION MCQ PAPER
WITH THE MAIN ANSWER BOOK**