



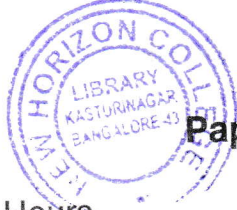
64523

V Semester B.B.A. Examination, March/April 2024

(CBCS) (Repeaters)

BUSINESS ADMINISTRATION

Paper – 5.3 : Investment Management



Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written completely in **English**.

SECTION – A

Answer **any five** sub-questions. **Each** sub-question carries **two** marks. (5×2=10)

1. a) Define portfolio.
- b) Expand CAPM.
- c) What is zero coupon bond ?
- d) Give the meaning of fundamental analysis.
- e) What are forwards ?
- f) Give the meaning of risk.
- g) What do you mean by mutual fund ?

SECTION – B

Answer **any three** of the following questions. **Each** question carries **six** marks. (3×6=18)

2. State the assumptions of Markowitz theory.
3. Explain the different types of financial derivatives.
4. Find out expected rate of return from the following :

Economic scenario	Probability of occurrence	Rate of return (%)
Strong growth	0.25	15%
Moderate growth	0.50	12%
Low growth	0.25	8%

5. Explain the different types of money market securities.
6. What are the objectives of industry analysis ?

P.T.O.



SECTION – C

Answer **any three** of the following questions. **Each** question carries **fourteen** marks.

(3×14=42)

7. What is fundamental analysis ? Explain the role of economic factors in fundamental analysis.
8. What do you mean by mutual funds ? Explain the advantages and risk associated with mutual fund.
9. Explain the Dow theory. How it is used to determine the direction of the market ?
10. Explain security selection process.
11. The returns on two securities X and Y are given below :

Probability	Returns	
	X	Y
0.5	8%	5%
0.3	4%	8%
0.2	2%	4%

Which of these securities would you prefer based on risk-return characteristics ?
