THIRD SEMESTER M.Com DEGREE EXAMINATION, NOVEMBER 2023
(Regular/Improvement/Supplementary)

COMMERCE
FMCM3E01 - INVESTMENT MANAGEMENT

Time: 3 Hours   **Maximum Weightage: 30**

Part A: Answer any *four* questions. Each carries *two* weightage.

1. What is expected return?

2. Distinguish between speculation and gambling.

3. What do you mean by Yankee bond?

4. Elaborate on coupon rate.

5. Write a short note on candlestick chart.

6. What is Sharpe Ratio?

7. Comment on security market line.

$$(4 \times 2 = 8 \text{ weightage})$$

Part B: Answer any *four* questions. Each carries *three* weightage.

8. Explain the different types of risks.

9. Discuss the advantages of fundamental analysis.

10. Explain the factors to be considered for portfolio selection.

11. Explain Markowitz theory.

12. What are the various measures of portfolio performance?

13. A bond has a face value of Rs.100 with a coupon rate of 12 per cent. The bond is currently selling at Rs.80. What is the current yield?

14. Mr. Anil have stocks of two companies X and Y. The following details are available.

Company	X	Y
Security Return	10	5
Security Variance	0.0064	0.0016
Investment Proportion	0.5	0.5
Correlation	0.5	

Calculate the portfolio return and portfolio risk.

$$(4 \times 3 = 12 \text{ weightage})$$

(P.T.O.)

Part C: Answer any *two* questions. Each carries *five* weightage.

15. Explain the portfolio management process.

16. Calculate the expected return and standard deviation of returns for a stock having the following probability distributions.

Possible Returns in %	Probability
7	0.05
8	0.10
9	0.20
10	0.30
11	0.20
12	0.10
13	0.05

17. Mr. X purchased a bond with a face value of Rs.1000, 10 % coupon rate and four years to maturity. He paid Rs.1032.40 for the bond. What is the bond yield to maturity? If the bond can be called two years from now at Rs.1,100 , what is the yield to call?

18. Discuss the term 'technical analysis' and the tools used for it.

(2 × 5 = 10 weightage)