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D6BCM2003

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Reg.No.....

Name:

SIXTH SEMESTER B.Com DEGREE EXAMINATION, APRIL 2023

(Regular/Improvement/Supplementary)

FINANCE

GBCM6B16T: FUNDAMENTALS OF INVESTMENTS

Time: 2 ½ Hours

Maximum Marks: 80

SECTION A: Answer the following questions. Each carries *two* marks.

(Ceiling 25 Marks)

1. Define investment?
2. What is deep discount bond
3. What is portfolio?
4. Explain insider trading.
5. What are indicators? Enlist its uses.
6. Give an account on coupon rate.
7. What do you mean by gambling?
8. Write a short note on SML.
9. What do you meant by investor activism?
10. Comment on PEG.
11. What do you understand by bond duration?
12. Mention the uses of industry analysis.
13. What is systematic risk?
14. Write a brief note on nifty fifty.
15. What do you meant by time value of money?

SECTION B: Answer the following questions. Each carries *five* marks.

(Ceiling 35 Marks)

16. Last year dividend of the company is Rs 50. The expected growth rate is 5 %,rate of return is 10%. Find the value of the share.
17. Mr. Arun considering investing in ABC Ltd. The correlation co-efficient between the company's return and return on the market is 0.876. the standard deviation of the return of the stock is 18.68. The standard deviation of the return on the market is 10.11. Calculate beta value.
18. What is fundamental analysis? What are its advantages?
19. Explain the rights and duties of investor.

(PTO)

20. A bond of face value Rs 1000 and coupon rate is 12%, is selling for Rs 900. What is the current yield of the bond?
21. Explain the Elliot Wave Theory?
22. There are two securities A and B with expected return of 15% and 24 % respectively. Their standard deviation is 35% and 52 %. Calculate the standard deviation of a portfolio?
23. What is SEBI? Discuss its objectives.

SECTION C: Answer any two questions. Each carries ten marks.

24. The monthly return data in percent of ACC stock and BSE index is given below. Calculate beta under correlation method and regression method.

Month	ACC	BSE
1	8.53	7.56
2	9.65	8.46
3	12.25	10.3
4	9	12.25
5	13.75	11.75
6	6.65	9.42

25. A five year bond with 15 % coupon rate and maturity value of Rs 1000 is currently selling at Rs. 905. What is its YTM?
26. Describe EIC analysis.
27. What do you mean by investors grievances? Explain the important steps taken by SEBI to redress investor's complaints.

(2 × 10 = 20 Marks)