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D6BBA2005　　　　　　　　(PAGES 2)　　　　　　　Reg.No...........................

Name: ....

SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2023

(Regular/Improvement/Supplementary)

BBA

GBBA6B16T: INVESTMENT MANAGEMENT

Time: 2 ½ Hours　　　　　　　　　　　　　　　　　　Maximum Marks: 80

SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 Marks)

1. What is investment risk?
2. "In India, irredeemable shares are not allowed". Critically evaluate this statement.
3. What are cyclical shares?
4. Price, at the beginning, of an equity share was Rs.140. The price at the end was Rs. 160. The holder received a dividend of Rs 8 per share. Calculate rate of return.
5. List out the measures used for risk measurement.
6. The risk-free rate equals to 5.5% and expected return equals to 12%. If Beta is 2.0, Calculate the risk premium and expected return.
7. What is fundamental analysis?
8. Expand and explain the term EIC analysis.
9. What is the role of profitability ratios in decision making?
10. What is an efficient market model?
11. Calculate AD Line.

DAYS	ADVANCING	DECLINING
1	1198	882
2	1183	965
3	882	1251
4	706	1411
5	1139	1003

12. What is meant by volume in price fields?
13. Calculate Sharpe ratio and evaluate which fund performs better?

Portfolio	Return	Standard deviation	Risk free rate
1	30%	5%	10%
2	40%	7%	15%

14. What is meant by portfolio evaluation?
15. What is the slope of the CML, if the expected rate of return is 30% with a standard deviation of 15% and the risk-free rate of interest 9%.

(PTO)

SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 Marks)

16. What are the objectives of investment?
17. Differentiate between investment and gambling.
18. Calculate Standard Deviation.

Return	- 4.17	0.00	4.17	8.33	12.50	16.67
Probability	0.1	0.1	0.2	0.3	0.2	0.1

19. What are the sources of investment information?
20. Explain the advantages and disadvantages of technical analysis.
21. What is a pennant? Illustrate it.
22. Compute under Treynor's index.

Portfolio	Return	Beta
A	18%	1.00
B	16%	0.90
C	20%	1.05
D	22%	1.20

23. The return on the market is 11% and the risk free rate is 6%. The relative beta values are 0.5, 1.0 and 2.0. Calculate the required return under CAPM model.

SECTION C: Answer any 2 question. Each carries *ten* marks.

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

Month	ITC Stock	BSE Index
Jan	9.43	7.41
Feb	0	-5.33
Mar	-4.31	-7.35
Apr	-18.92	-14.64
May	-6.67	1.58
Jun	26.57	1.58
July	20.00	5.11
Aug	2.93	0.76
Sep	5.25	-0.97
Oct	21.45	10.44
Nov	23.13	17.47
Dec	32.83	20.15

25. What do you mean by industry life cycle? Describe the stages in the industry life cycle.
26. Explain and illustrate the Japanese candle stick chart.
27. Discuss Markovitz model.

(2 x 10 = 20 Marks)