D6BCM2303 **Reg. No.............................**

Name: ....

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2026

(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. What is investment?
2. What do you mean by portfolio?
3. What is technical analysis?
4. Define Efficient market Hypothesis.
5. What is P/E ratio?
6. What are leading and lagging indicators?
7. Explain SENSEX.
8. What is rolling settlement?
9. Write an account on portfolio diversification.
10. What do you mean by Zero coupon bonds?
11. Comment on beta.
12. Differentiate between primary and secondary market.
13. Expand the term CRISIL.
14. What is YTM?
15. What is EIC analysis?

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

16. What are the different types of Bonds?
17. Explain Efficient Market Hypothesis.
18. A stock costing Rs 120 pays no dividends. The possible price that the stock might sell for the end of the year with respective probabilities as follows:

Price	Probability
115	0.1
120	0.1
125	0.2
130	0.3
135	0.2
140	0.1

Calculate the expected return and standard deviation.

19. A company paid dividends amounting to Rs 0.75per share during the last year. The company is expected to pay Rs 2 per share during the next year. Investors forecast a dividend of Rs 3 per share in the year after that. There after it is expected that dividend will grow at 10 percent per year into an indefinite future. Would you buy or sell the share if current price of the share is at Rs 54?. Investors required rate of return is 15 percent.
20. Stock M and N have yielded the following return for the past two years

Years	Return (%)	
	M	N
2024	12	14
2025	18	12

(a) Find out expected return on portfolio made up of 60 % of M and 40% of N.

(b) Find out standard deviation of each stock.

(c) What is the covariance and coefficient of correlation between stock M and N?

21. Briefly Explain Support and resistance levels.
22. Monthly return data (in %) for ONGC stock and NSE index for a period of 12-month period are present below.

Month	ONGC	NSE index
1	-0.75	-0.35
2	5.45	-0.49
3	-3.05	-1.03
4	3.41	1.64
5	9.13	6.67
6	2.36	1.13
7	-0.42	0.72
8	5.51	0.84
9	6.80	4.05
10	2.60	1.21
11	-3.81	0.29
12	-1.91	-1.96

a) Calculate alpha and beta for ONGC stock.
b) Suppose NSE index is expected to move by 15 per cent next month. How much return would you expect from ONGC?

23. Briefly explain different price charts in technical analysis.

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

24. What is fundamentals analysis? Explain various tools of fundamental analysis.
25. Explain different investment avenues.
26. Briefly explain functions of SEBI as an investor protector.
27. Jaya Ltd. has a 14 percent debentures with a face value of Rs 100 that matures at par in 15 years. The debenture is callable in five years at Rs 114. It currently sells for Rs 105. Calculate each of the following for this debentures:
    a. Current yield
    b. Yields to call
    c. Yield to maturity

(2 × 10 = 20 Marks)