



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIFTH SEMESTER – NOVEMBER 2014

CO 5401 - PERSONAL INVESTMENT

Date : 10/11/2014

Dept. No.

Max. : 100 Marks

Time : 09:00-12:00

SECTION-A

(Answer ALL Questions)

(10x2=20)

1. Who is a speculator?
2. What do you understand by hedge against inflation?
3. What do you mean by diversification?
4. What are zero coupon bonds?
5. Give the list of money market instruments available for investment.
6. Give the list of any four NIFTY companies of India.
7. Can painting be considered as an investment? How?
8. Define the term risk.
9. What is annuity?
10. Unfold the meaning of time value of money.

SECTION-B

(Answer any FIVE questions)

(5x8=40)

11. What is investment? What are the objectives of investment?
12. Write short notes on the following:
 - a) Expected return
 - b) Actual return
 - c) Yield to maturity
 - d) Callability risk.
13. What is CAPM? What are the assumptions of CAPM?
14. Bring out the list of provident fund schemes and tax savings schemes available for investment.
15. How is equity shares better investment option for the long term? What are the types of equity shares ?
16. You are asked to prepare an investment plan for a period of next 10 years covering upon your financial needs for higher education and marriage.
17. A company's stock is currently sold at Rs.25 per share. The stock is expected to pay Re.1 as dividend per share at the end the next year. It is estimated that the stock will be available for Rs.29 at the end one year.
 - a) If the expected dividend and price are accurate, is it advisable to buy at the present price?
 - b) If investor requires 15% return but the dividend remains the same, what should be the price at the end of the year?
18. Anil has bought the shares of a company which has paid Rs.3 as dividend per share during the Previous year, He anticipates two situations either a 5% decline in dividend or 5% growth in the dividend in the next year. His expected return on the stock is 20%. Find out the price of the stock under both the options.

SECTION-C

(Answer any TWO questions)

(2x20=40)

19. Discuss the classification of insurance policies and fixed deposits available for investment.
20. a) What are the types of debentures? Explain.
b) Briefly explain the risks associated with the bond investment.
21. Explain in detail the precautions to be taken up by individual investors while making investment decisions.
