

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FIFTH SEMESTER – NOVEMBER 2018

CO 5404 – INTRODUCTION TO INVESTMENT MANAGEMENT

Date: 30-10-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

Answer ALL questions

(10 x 2=20)

1. What is meant by investment?
2. Enlist any two characteristics of a speculator.
3. Distinguish between bonus and rights issue.
4. What do you mean by Non-convertible debenture?
5. Define Zero Coupon bond.
6. Give the meaning of New Issue Market.
7. What is Green Shoe Option?
8. Differentiate savings from earnings.
9. What is a growth industry?
10. State the meaning of time value of money.

PART – B

Answer any FOUR questions

(4 x 10=40)

11. Who is an investor? How does he differ from a speculator?
12. What are the various types of preference shares? Explain.
13. Why do investors add gold and real estate in their portfolio? Explain illustratively.
14. "Investment in mutual fund is subject to market risk" - Do you agree? Comment.
15. Calculate the expected returns of the following investments and evaluate the options.

ROI of X	Probability	ROI of Y	Probability	ROI of X	Probability
-10%	0.1	0%	0.1	10%	0.2
0%	0.2	10%	0.1	20%	0.2
10%	0.3	20%	0.3	30%	0.2
20%	0.3	30%	0.4	40%	0.2
30%	0.1	40%	0.1	50%	0.2

16. Jumbo Finance Ltd. promises to pay you Rs.5,00,000 after 6 years for an investment of Rs.50,000 made today. Calculate the rate of interest offered by the financier.
17. Bring out the risks involved while investing in bonds.

PART – C

Answer any TWO questions

(2 x20=40)

18. Describe the main and subsidiary objectives of investment.
19. Explain any ten intangible investment alternatives available to an investor.
20. Enumerate the various factors considered in economic analysis.
21. Explain the Systematic and Unsystematic risks involved in investment.

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