



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIFTH SEMESTER – APRIL 2016

BU 5404 - INTRODUCTION TO INVESTMENT

Date: 29-04-2016
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART-A

Answer All Questions.

10x2= 20 Marks

- 1) Define investment.
- 2) What is Speculation?
- 3) Give any two examples of variable income securities.
- 4) List any two modern form of Investment.
- 5) What is “revenue return”?
- 6) What are the different types of risk?
- 7) Give any two assumptions of CAPM Model.
- 8) What is bond valuation?
- 9) Write a note on Economic forecasting?
- 10) What do you mean by industry analysis?

PART-B

Answer any four questions.

4x10= 40 Marks

- 11) Explain the various ways of Maneuvering with investment.
- 12) Explain the factors of sound Investment process?
- 13) Explain the various types of Tax sheltered savings scheme.
- 14) The market price of an equity share is Rs 100. Following information is available in respect of dividends, market price and the expected market condition after one year

Sno	Market Conditions	Probability	Market price (RS)	Dividend(Rs)
1	Good	0.20	120	12
2	Normal	0.60	117	7
3	Bad	0.20	97	3

Find the expected return and the risk of the security.

- 15) Discuss any four methods of valuation of bonds.
- 16) What are the various limitations of CAPM model?
- 17) Discuss the different phases in Business cycle.

PART-C

Answer any two questions.

2x20= 40 Marks

- 18) Explain in detail the relevance of investment analysis. Discuss the two important factors analyzed in investments.
- 19) Discuss the types of investments in Stocks and Bonds with examples.
- 20) Distinguish between
 1. Total return and Holding period return
 2. Historical return and Expected return
 3. Risk and Risk premium.
- 21) Discuss the various sources of information analyzed in the company.
