



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.Com. DEGREE EXAMINATION – COMMERCE

SECOND SEMESTER – APRIL 2015

CO 2955 - INVESTMENT MANAGEMENT

Date : 25/04/2015
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

SECTION-A

Answer ALL Questions

(10x2=20)

1. What is financial investment?
2. Differentiate between inflation and deflation.
3. What are the features of blue-chip companies?
4. What do understand by futures?
5. State the names of any two leading indices of NSE.
6. What is stock split?
7. What is meant by AUM?
8. What is the significance of expenses ratio in mutual funds?
9. How do you make a revision in portfolio?
10. What does CAPM imply?

SECTION-B

Answer any FOUR Questions

(4x10=40)

11. State the importance of insurance along with the types of insurance policies.
12. Differentiate between the direct investing and indirect investing with examples.
13. What is meant by real assets? What are its types?
14. What are the assumptions and limitations of HM model? Explain.
15. Bring out the importance of investing in mutual funds.
16. Write short notes on the following
a) Risk and Return relationship b) Risk free return c) Actual return d) Expected return.
17. What is beta? How to interpret beta?

SECTION-C

Answer any TWO Questions

(2x20=40)

18. a) Differentiate between a speculator and an investor.
b) What are the factors affecting the successful investment programme? Explain.
19. Discuss the investment opportunities available in non-marketable financial assets and equity shares.
20. "Risk is a part of investment process". Do you agree? If so, what are the risks that affect the return on the investments?
21. The risk and return features of two investment projects are shown below: (10)

Particulars	L	M
Expected Return	15%	25%
Risk	2%	5%

An investor plans to invest 60% of his available funds in Project L and 40% in M. The correlation coefficient between the projects is +1.0

Find out the risk and return of the portfolio L and M.

- b) Following information is provided relating to a security (10)

$$I_{RF} = 10\%$$

$$R_M = 18\%$$

$$\text{Beta} = 0.80$$

- i) Find out the expected return of the security, and
- ii) If the other security has an expected return of 25%, what must be the beta?
