



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIFTH SEMESTER – APRIL 2017

CO 5401- PERSONAL INVESTMENT

Date: 02-05-2017
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

Part – A

Answer ALL questions

(10x2=20)

1. What is meant by Investment?
2. Who is a gambler?
3. Define Bonus Shares.
4. Give the meaning of Deep Discount Bonds.
5. State any two relationships between the Primary and Secondary markets.
6. What is Yield To Maturity (YTM)?
7. Define Security Analysis.
8. What is the present value of an investment, whose redemption value is Rs.50000 at the end of 5 years at 10%p.a.?
9. What do you mean by 'Open-ended Scheme'?
10. ABC limited would pay Rs.2.50 as dividend per share for the next year and expected to grow indefinitely at 12%. What would be the equity value, if the investors require 20% return?

Part – B

Answer any FOUR questions(4 x 10=40)

11. What are the core objectives of Investment?
12. Evaluate the various sources of information available to an Indian investor.
13. Highlight the risks involved in investment in bonds.
14. Why do middle-class investors add real estate and gold in their portfolio? Explain.
15. What is meant by systematic risk? Explain its sub-divisions with relevant examples.
16. Calculate the expected returns of investment A and B, whose risk and returns are as follows:

Investment X:

Returns	:	-10 %	0	5%	10%	20%
Probability:		0.2	0.1	0.2	0.4	0.1

Investment Y:

Returns	:	-20 %	5%	10%	20%	30%
Probability:		0.1	0.2	0.3	0.3	0.1

17. If you invest Rs.1000 today in a Private bank, it will grow into Rs.8000 in 12 years. As a medium term investor, compute the rate of interest offered.

Part – C

Answer any TWO questions

(2x20=40)

18. Explain the process of Investment.
19. Describe the types of negotiable investment alternatives available in India.
20. Mention the impact of demonetization on Indian retail investment pattern.
21. Discuss the economic wide factors considered in fundamental analysis.

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