

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**M.Sc. DEGREE EXAMINATION - STATISTICS**

THIRD SEMESTER – NOVEMBER 2007

**EC 3900 - INVESTMENT MANAGEMENT**

AN 29

Date : 06/11/2007

Dept. No.

Max. : 100 Marks

Time : 9:00 - 12:00

**PART- A**

**Answer any FIVE questions in about 75 words each: (5X4=20 marks)**

1. What is a growth stock?
2. Differentiate between an active and a passive investment strategy.
3. What are the advantages of Mutual Funds?
4. Distinguish between systematic and non-systematic risk.
5. Write a short note on filter rules.
6. What are the factors responsible for causing internal risk in Investment?
7. Write a short note on Security Market Line.

**PART –B**

**Answer any FOUR questions in about 250 words each. (4X10= 40 marks)**

8. Explain the investor's classification of Equity Shares.
9. What are the functions of investment management?
10. Estimate the average return for the given data.

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Price	11.50	11.50	19.00	29.50	31.50	23.00	26.00	23.00	38.50	73.50	106.50
Dividend	-	1.20	1.50	1.50	1.50	1.50	1.50	1.50	2.50	2.50	4.00

11. Explain the Sharpe's Single index model.
12. Write a short note on: Simulation tests, Serial Correlation, Filter rules.
13. What are the basic assumptions underlying the CAPM model?
14. Explain the separation theorem in the portfolio theory.

**PART – C**

**Answer any TWO questions in about 900 words each. (2X20= 40 marks)**

15. Discuss the classification of managed portfolio.
16. Describe the Markowitz model of portfolio management.
17. Elucidate the empirical tests, limitation and implications of Random walk model.
18. Analyse the equilibrium rates of return and price mechanism in capital market in the portfolio theory.

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