



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

FIFTH SEMESTER – NOVEMBER 2014

BU 5404 - INTRODUCTION TO INVESTMENT

Date : 12/11/2014
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

PART-A

Answer ALL the questions:

(10x2= 20 Marks)

1. How do you define Investment?
2. What do you mean by Hedging?
3. What are Real assets? Give examples.
4. Give any two examples of Modern investment plan.
5. Define Risk and Return?
6. What are the types of Risk?
7. What do you mean by Revenue return?
8. Define Yield to call.
9. What do you mean by Asset allocation?
10. Explain Security allocation.

PART –B

Answer any FOUR questions:

(4x10= 40 Marks)

11. Explain the various factors an Investor should consider while making Investment decision.
12. List out the difference between Investment, Speculation and Hedging.
13. What are bonds? Briefly explain its types.
14. Briefly explain financial derivatives and where it is used.
15. Explain different sources of Risk.
16. What are the limitations of CAPM model?
17. What do you mean by company analysis and explain various factors analyzed in a company.

PART –C

Answer any TWO questions:

(2x20= 40 Marks)

18. Briefly explain the Investment decision process.
19. Explain different types of real and financial assets with examples.
20. A bond of Rs 1000 bearing a coupon rate of 12% is redeemable at Par in 10years.
Find out the value of the bond, if- a) Required rate of return is 12% or 10% or 14%
b) Required rate of return is 14% and the maturity period is 8 years or 12 Years.
21. Explain CAPM Model and its Assumptions.

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