LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FOURTHSEMESTER – APRIL 2018

16UCO4ES09- FINANCIAL SERVICES AND INVESTMENT MANAGEMENT

Date: 25-04-2018   Dept. No.   Max. : 100 Marks
Time: 09:00-12:00

Part A

Answer ALL Questions   **10X2= 20 Marks**

1. Define Investment.

2. What is YTM? Write its approximation formula.

3. Find out the value of the bond if the required rate of return is 10%. A deep discount bond is issued for a maturity period of 20 years and having a face value of Rs. 1,00,000.

4. Differentiate between Callable bond and Putable bond.

5. What do you mean by required rate of return of an investor?

6. What is called risk free rate of return? Give an example in Indian context.

7. Name any four participants in primary market.

8. What is meant by Mezzanine capital?

9. What is meant by Securitisation?

10. What is Book Building?

Part B

Answer FOUR Questions   **4X10 = 40 Marks**

11. Discuss the role of financial services in economic development of a country.

12. What are the objectives of investment?

13. Briefly differentiate between factoring and forfaiting.

14. Describe the process of securitisation.

15. What are the stages involved in Venture Capital financing?

16. Describe in detail the process of Investment.

17. Explain the types of Risks with appropriate examples.

Part C

Answer TWO Questions   **2X20 = 40 Marks**

18. What is financial system? Explain the components of financial system.

19. a) What is the present value of Rs.10,00,000 receivable 60 years from now, if the discount rate is 10%?

   b) Mahesh deposits Rs.2,00,000 in a bank account which pays 10%. How much can be withdrawn annually for a period of 15 years?

c) Fifteen annual payments of Rs.5000/- are made into a deposit account that pays 14% interest per year. What is the future value of this annuity at the end of 15 years?

d) If you invest Rs.5000/- today at a compound interest of 9%, what will be its future value after 75 years?

e) The market price of Rs.1000 per value bond carrying a coupon rate of 14% and maturing after 5 years is Rs.1050/-. Calculate accurate YTM.

20. Discuss the regulations of Mutual funds, in India.

21. Explain the concept of fundamental analysis. How do fund managers employ this?

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