LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.Com. DEGREE EXAMINATION - COMMERCE

SECOND SEMESTER – NOVEMBER 2013

CO 2955 - INVESTMENT MANAGEMENT

Date : 08/11/2013   Dept. No.   Max. : 100 Marks
Time : 1:00 - 4:00

SECTION – A

Answer ALL questions: (10 x 2 = 20)

1. What do you mean by speculation?

2. What are differences between direct investing and indirect investing?

3. What is a financial asset?

4. What do you mean by company deposits?

5. What is a preference share?

6. Define 'Mutual Fund".

7. Define 'NAV'.

8. What is 'Arbitrage Pricing Theory'?

9. What is risk free rate of return?

10. What do you mean by CAPM?

SECTION – B

Answer any FOUR questions: (4 x 10 = 40)

11. Explain the various mutual fund schemes available for investors.

12. Explain the process involved in investment decisions.

13. Compare the advantages and disadvantages of investment with gambling.

14. What are the differences between investment in shares and bonds? Explain.

15. How do you evaluate the performance of mutual fund investment?

16. Write a short note on 'Security Market Line' and 'Capital Market Line'.

17. From the following calculate the NAV of the mutual fund scheme.
    Cash and bank balance: ` 5,50,000
    Bonds and debentures : ` 7,00,000
    Quoted government securities: ` 12,50,000
    Expenses accrued but not paid: ` 75,000
    Investment in equity shares of various companies: ` 10,05,000
    Number of units outstanding: 2,00,000.

18. Do you agree that all investments are subject to risk? Explain the various types of risks attached to investments.

19. Explain the merits and demerits of investment in antiques, gold, real estate and money market instruments.

20. How do you measure the performance of a portfolio? Explain

21. What are the advantages and disadvantages of investment in mutual fund? Do you think the present scenario will yield good returns for the investors for the mutual fund investors? Explain.

****