

NOVEMBER/DECEMBER 2019

MCM42 — INVESTMENT MANAGEMENT

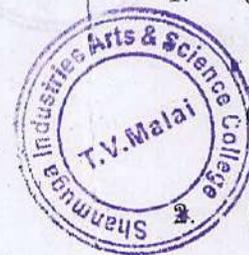
Time : Three hours

Maximum : 75 marks

SECTION A — (5 × 6 = 30 marks)

Answer ALL questions.

1. (a) What do you mean by 'financial assets'? How are these classified?  
Or  
(b) Distinguish between investment and speculation.
- (a) "Financial risk is a function of financial leverage". Explain.  
Or  
(b) "Higher return, higher will be the risk". In this context, discuss the various risks associated with an asset.
3. (a) Briefly describe the techniques of short-term economic forecasting.  
Or  
(b) Explain the merits and demerits of technical analysis as a tool of security analysis.



4. (a) Explain in detail the methods of valuation of an equity share.

Or

- (b) What is meant by the duration of the bond? Explain its significance.

5. (a) What is the implication of semi-strong form market efficiency for fundamental analysis?

Or

- (b) List the assumptions of Capital Asset Pricing Model.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

6. Describe briefly the important investment avenues available to savers in India.
7. Explain the mean-variance approach to estimation of return and risk of a security.
8. Describe the key economic variables that an investor must monitor as part of his fundamental analysis.

9. How will you determine the value of a bond with a maturity period?

10. "An investor can not consistently earn excess returns by understanding fundamental analysis or technical analysis" – Discuss.

