

TDC (CBCS) Even Semester Exam., 2024

COMMERCE

(6th Semester)

Course No. : COMDSE-601/602T

(Fundamentals of Investment)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

UNIT—I

1. Answer any four of the following questions :

1×4=4

- (a) State two objectives of investment in securities.**
- (b) What is meant by arbitrage?**
- (c) Differentiate between investment and speculation.**

(2)

(d) Name a commodity stock exchange of India.

(e) Name two participants of money market.

2. Answer any *one* of the following questions : 2

(a) Discuss, in brief, the structure of Indian securities market.

(b) How do taxes affect return?

3. Answer any *one* of the following questions : 8

(a) Discuss, in detail, the investment decision process.

(b) Write short notes on the following : 4+4=8

(i) Securities market indices

(ii) Risk-return relationship

UNIT—II

4. Answer any *four* of the following questions :

1×4=4

(a) What is meant by bond rating?

(b) What is meant by yield to maturity?

(c) What do you mean by default risk?

(3)

(d) What do you mean by 'bond with put option'?

(e) If a bond is selling at a market price of ₹ 400 and promises to pay investor ₹ 50 annually, what is the current yield of the bond?

5. Answer any *one* of the following questions : 2

(a) Differentiate between fixed rate bonds and floating rate bonds.

(b) State two characteristics of bonds.

6. Answer any *one* of the following questions : 8

(a) Write a note on credit rating. Also brief about a credit rating agency operating in India. 4+4=8

(b) What are bonds? What are the various risks in bonds? 3+5=8

UNIT—III

7. Answer any *four* of the following questions :

1×4=4

(a) Name two methods of equity valuation.

(b) Define technical analysis.

(4)

- (c) Name two methods of technical analysis.
- (d) What does Dow theory advocates?
- (e) What is meant by EIC framework?
8. Answer any *one* of the following questions : 2
- (a) Differentiate between fundamental analysis and technical analysis.
- (b) Write a note on company analysis in analyzing securities.
9. Answer any *one* of the following questions : 8
- (a) Explain in detail the Efficient Market Hypothesis (EMH).
- (b) Write short notes on the following : $4 \times 2 = 8$
- (i) Elliott Wave theory
- (ii) Gordon's dividend capitalization model

(5)

UNIT—IV

10. Answer any *four* of the following questions : $1 \times 4 = 4$
- (a) What are the functions of AMCs?
- (b) What are currency swaps?
- (c) Define financial derivatives.
- (d) State the determining factors of portfolio selection.
- (e) Who developed 'Single-Index Model'?
11. Answer any *one* of the following questions : 2
- (a) Why do we need a balanced portfolio?
- (b) State two assumptions of Markowitz model.
12. Answer any *one* of the following questions : 8
- (a) What are mutual funds? Discuss the advantages and disadvantages of mutual fund investment. $4 + 4 = 8$
- (b) Write a note on financial derivatives market in India.

(6)

UNIT—V

13. Answer any *four* of the following questions :

1×4=4

- (a) What is meant by investors activism?
- (b) What do you mean by insider trading?
- (c) What is the full form of SCORE?
- (d) Name any one depository functional in India.
- (e) When was Company Law Board constituted?

14. Answer any *one* of the following questions : 2

- (a) Write about the role of press in investor's protection.
- (b) State two functions of the Company Law Board.

15. Answer any *one* of the following questions : 8

- (a) Discuss the role of SEBI in protection of investors.

(7)

- (b) What do you mean by investor's awareness? State few investors' grievances against companies and brokers. 4+2+2=8

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