

CODE: 197209  
NOVEMBER 2020

TIME: 3 Hrs  
MAX. MARKS: 50

**PART A**

(10 x 2=20)

Answer any **TEN** questions.

1. Define the term 'Investment'.
2. What are the basic features of Investment activity?
3. What do you mean by return?
4. Write a short note on 'Risk premium'.
5. How is the economic growth related to stock prices?
6. What is SWOT analysis?
7. Explain 'Technical analysis'.
8. How would you use ROC to predict the stock price movement?
9. What is superfluous diversification?
10. How are utility curves helpful in finding out the efficient portfolio?
11. What is meant by fundamental analysis?
12. Why do investors invest in gold and silver?

**PART B**

(2 x 5=10)

Answer any **TWO** questions.

13. Distinguish between Investment and Speculation.
14. How does systematic risk affect the individual stock return?
15. What are the methods adopted to analyse the financial statements of a company?
16. What precautions be taken while using a technical analysis?
17. Distinguish between efficient portfolio and feasible portfolio.
18. 'The nature of the triangles gives different indications' – comment.
19. How does ratio analysis reflect the financial health of a company?
20. What are the sources of investment information?

**PART C**

(2 x 10=20)

Answer any **TWO** questions.

21. Explain the primary and subsidiary objectives of investment.
22. What do you mean by risk return trade off? Why different investments have varying degree of expected return?
23. Explain the utility of the economic analysis and state the economic factors considered for this analysis.
24. "A technical analyst places too much of emphasis on the past and present levels of prices and demand and supply". Critically examine.
25. Vimal enterprise has a beta of 1.5. The risk free rate is 7% and the expected return on the market portfolio is 14 %. The company presently pays a dividend of Rs. 2.50 per share and investors expect a growth of dividend of 12% p.a. for many years to come. Compute the required rate of return on the equity according to CAPM. What is the present market price of the equity share assuming the computed return as required return?