

**2023/TDC(CBCS)/EVEN/SEM/
COMDSE-601T/602T/413**

TDC (CBCS) Even Semester Exam., 2023

COMMERCE

(6th Semester)

Course No. : COMDSE-601T/602T

(Fundamentals of Investment)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Name four financial assets held by an investor.
2. What is meant by arbitrage?
3. Differentiate between investment and speculation.

4. What is meant by tax-equivalent yield?
5. Calculate the inflation-adjusted return if a stock returns 12% and inflation is assumed at 3%.
6. State any two features of bonds.
7. What is zero-coupon bond?
8. What do you mean by default risk?
9. Describe the relationship between required rate of return and coupon interest of a bond.
10. What is meant by yield to maturity?
11. What do you understand by intrinsic value of a security?
12. State the importance of technical analysis.
13. What does Dow theory advocate?
14. State two characteristics of equity shares.
15. A company is presently paying a dividend of ₹ 6 per share and is expected not to deviate from this in future. Calculate the value of the share if the required rate of return is 15%.

16. How do we measure the risk of a portfolio?
17. What do you mean by interest rate swaps?
18. What is meant by balanced fund?
19. Define diversification of funds with respect to portfolio analysis.
20. What is the concept of mutual funds?
21. Why was SEBI formed?
22. When was Company Law Board constituted?
23. Which Stock Exchange formed the investors grievance cell?
24. State the role of Investor Protection Fund (IPF).
25. What is meant by investors activism?

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

26. Write a short note on NSE.
27. Explain the relationship between risk and return with suitable diagram.

28. Calculate the valuation of a bond if an investor is willing to purchase ₹ 10,000, 14% debentures redeemable after 3 years provided his required rate of return is 12%.
29. State two functions of credit rating agencies.
30. Differentiate between fundamental and technical analysis.
31. Discuss Elliott wave theory on stock market prediction.
32. What do you mean by single-index model?
33. State one advantage and disadvantage of mutual funds.
34. Write a note on investors awareness.
35. What do you mean by insider trading?

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$.

36. Discuss the investment decision process in detail.
37. Explain the structure of Indian capital market. Also mention the various participants in the capital market. $4+4=8$

38. What do you understand by credit rating?
Discuss the importance of rating securities. 3+5=8
39. What are bonds? Discuss the various types
of bond risk. 3+5=8
40. Discuss, in detail, the fundamental analysis
framework of security analysis.
41. What is meant by technical analysis? Explain
the various tools of technical analysis. 2+6=8
42. What do you mean by financial derivatives?
Who are the players in derivative market?
Differentiate between futures and forward
contract. 3+1+4=8
43. Discuss the term 'portfolio analysis'. Discuss
Markowitz model of portfolio selection. 2+6=8
44. Discuss elaborately the methods of redressal
of investors grievances.
45. Explain the protective functions of SEBI.
