



V Semester B.B.A. Degree Examination, November/December 2018
(F+R) (CBCS – 2016 – 17 & Onwards)
BUSINESS ADMINISTRATION
5.3 : Investment Management

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written in **English** only.

SECTION – A

Answer **any five** of the following sub-questions. **Each** sub-question carries **two** marks.

(5×2=10)

1. a) What do you understand by financial assets ?
- b) What is economic analysis ?
- c) What is a warrant ?
- d) What is an optimal portfolio ?
- e) What do you mean by Mutual Fund ?
- f) What do you mean by unsystematic risk ?
- g) An investor expects a dividend of ₹ 5 per share for each of 10 years and a selling price of ₹ 80 at the end of 10 years. Calculate the present value of share if his required rate of return is 12%.

SECTION – B

Answer **any three** of the following questions. **Each** question carries **six** marks.

(3×6=18)

2. Briefly explain Markowitz Model of Portfolio Management.
3. Distinguish between 'investment' and 'speculation'.
4. What are the objectives of industry analysis ?

P.T.O.



5. What are the advantages and disadvantages of ADRs ?
6. The probabilities and associated returns of Modern Foods Ltd. are given below :

Return %	:	12	15	18	20	24	26	30
Probability	:	0.05	0.10	0.24	0.26	0.18	0.12	0.05

Calculate the standard deviation.

SECTION – C

Answer **any three** of the following questions. **Each** question carries **fourteen** marks.

(3×14=42)

7. Explain the different types of risks in detail.
8. Explain in detail 'Porters five force model'.
9. What are the types of global mutual funds ?
10. What is technical analysis ? Explain.
11. From the following information calculate :
 - a) Expected rate of returns and
 - b) Risk in terms of standard deviation of securities X and Y.

Security X		Security Y	
Probability	Return %	Probability	Return%
0.05	6	0.10	5
0.15	10	0.20	8
0.40	15	0.30	12
0.25	18	0.25	15
0.10	20	0.10	18
0.05	24	0.05	20