



# ADITYA DEGREE COLLEGES

\* ANDHRA PRADESH \*

PREFINAL - EXAMINATIONS

III BBA - SEMESTER - VI

SUBJECT: INVESTMENT MANAGEMENT Max. Marks : 75 M

Date: 26-03-2020

Time: 3 Hours

## SECTION-A

I. Answer any FIVE of the following questions: 5 x 5 = 25 M

1. Explain the features of Investment?
2. Investment vs. Speculation
3. Briefly explain the Issue Management in Financial Markets?
4. In how many ways you can calculate the market price of the equity share?
5. Explain zero coupon Bonds and deep discount Bonds?
6. Explain Difference between equity shares & preference shares?
7. Dow Theory
8. Briefly explain the fundamental Analysis?

## SECTION-B

II. Answer the following questions: 5 x 10 = 50 M

9. a) Define Investment. Explain its Process?

(Or)

b) What are the various investment instruments used in the Financial Sector?

10. a) Explain in detail the Pre-Issue and Post Issue Management?

(Or)

b) What is Stock Exchange? Explain the various functions of Stock Exchanges?

11. a) Explain the types of Risk and how can you calculate the Risk?

(Or)

b) A stock costing Rs.120 pays no dividends. The possible prices that the stock might sell for at the end of the year with the respective probabilities as follows:

Price (Rs.)	Probability
115	0.1
120	0.1
125	0.2
130	0.3
135	0.2
140	0.1

Calculate (a) Expected Returns and (b) Standard Deviation of Returns.

12. a) Explain the Equity Valuation Methods?

**(Or)**

b) The expected dividend per share on the equity share of the Road King Ltd. is Rs.2. The dividend per share has grown over the past 5 years at the rate of 5% per year. This growth rate will continue in future. Further, the market price of the equity share is expected to grow at the same rate. What is a fair estimate of the intrinsic value of the equity share of Road King Ltd. if the required rate is 15%?

13. (a) What are the various tools used in the Technical Analysis?

**(Or)**

b) Explain in detail the concepts of Industry Analysis