V Semester B.B.A. Examination, March/April 2021
(2016 – 17 and Onwards) (CBCS) (F+R)
BUSINESS ADMINISTRATION
Paper – 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.   **(2×5=10)**

1. a) What is an yield curve ?

   b) What is "Sweat equity" ?

   c) State the importance of economic analysis for investment.

   d) What is meant by 'yield to maturity' ?

   e) What is meant by 'efficient frontier' ?

   f) Why is portfolio evaluation undertaken ?

   g) State any two techniques of hedging.

SECTION – B

Answer **any three** of the following questions. **Each** question carries **six** marks.   **(6×3=18)**

2. What is Risk ? Write a brief note about systematic risk and unsystematic risk.

3. Distinguish between forward and futures market.

4. Describe the arbitrage pricing theory.

5. State the assumptions of Markowitz theory.

2. Aditi is having units of a mutual fund for the past 1 year. Evaluate the performance of the mutual fund with reference to the market.

a. Find the Sharpe and Treynor ratios.

	Mutual Fund	Market
Returns	11.3	9.4
Standard deviation	4.3	9.8
Risk-free rate of return	2%	2%
Beta	1.2	—

SECTION—II

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

(3 × 14 = 42)

7. What are the advantages of Arbitrage Pricing Theory over Capital Asset Pricing Model?

8. Explain the Dow theory. How is it used to determine the direction of the market?

9. What are the objectives and functions of SEBI? Explain the organisation of SEBI.

10. What is Technical Analysis? How is it different from Fundamental analysis? Briefly explain the techniques of technical analysis.

11. The probabilities and associated returns of Mutual Fund X are given below.

Return %	12	15	18	20	24	26	30
Probability	0.05	0.11	0.12	0.15	0.18	0.17	0.15

a. Calculate the expected returns.

b. Calculate the standard deviation.