

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2025
(Sixth Semester)

Branch – BANKING, STOCK & INSURANCE

MAJOR ELECTIVE COURSE – II: FIXED INCOME SECURITIES MARKET

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 Which financial instrument is most commonly associated with speculation?
(i) Derivatives (ii) government bonds
(iii) Fixed Deposits (iv) Savings accounts
- 2 If the principal amount is Rs 5000, rate of interest is 10% PA and time is 2 years
Calculate simple interest.
(i) Rs.500 (ii) Rs. 1000
(iii) Rs. 1,500 (iv) Rs.2,000
- 3 Which of the following is Not a tool used in technical analysis?
(i) Moving Average (ii) Price charts
(iii) Balance sheet analysis (iv) Relative strength Index
- 4 What does the term Risk free Rate (RF) refers in CAPM
(i) Expected return on govt securities
(ii) Return of a stock with Zero Volatility
(iii) Avg return of all stocks
(iv) The return on govt securities (treasury bond)
- 5 Which economic factors affecting the investment decision in portfolio management?
(i) Govt Regulations (ii) Interest rates
(iii) Inflation (iv) All the above

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Identify the difference between the Investment and Speculation.
OR
b State the Scope of investment.
- 7 a Define the term – Time value of money.
OR
b Give the difference between Modified duration and Macular duration.
- 8 a Compare technical analysis and fundamental analysis.
OR
b Outline the dow theory in technical analysis.
- 9 a Explain the arbitrage pricing theory.
OR
b Summarise the markowitch model in fundamental analysis.
- 10 a Explain the significance of portfolio management.
OR
b Differentiate active and passive portfolio management.

Cont...

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 Summarise the importance of systematic risk and nonsystematic risk in investment decision making.
- 12 Discuss the pros and cons of Fixed income securities.
- 13 Infer the importance of trend analysis in while making investment decision.
- 14 Explain the Capital Asset pricing model with suitable examples.
- 15 Summarise the factors affecting the portfolio evaluation.

Z-Z-Z

END