

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION MAY 2025
(Second Semester)

Branch- CORPORATE SECRETARYSHIP

MAJOR ELECTIVE COURSE – I INVESTMENT AND TRADING STRATEGIES

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	What is the main feature of the Capital Market Efficiency theory? a) Asset prices reflect all available information b) Market prices are always unpredictable c) Only large companies influence stock prices d) Government regulations determine prices	K1	CO1
	2	Infer the following technical analysis tools are used to identify support and resistance levels. a) Moving Averages b) Fibonacci Retracement c) Bollinger Bands d) MACD	K2	CO1
2	3	Which of the following ADX values suggests a strong trend? a) Below 20 b) Between 20 and 25 c) Above 25 d) Above 40	K1	CO1
	4	When the price touches the upper Bollinger Band, it is typically considered:- Relate. a) An overbought signal b) An oversold signal c) A bearish reversal d) A bullish reversal	K2	CO1
3	5	Which of the following is not a type of option strategy? a) Straddle b) Butterfly Spread c) MACD Crossover d) Covered Call	K1	CO1
	6	Show the meaning of 'Strike Price' in an options contract. a) The price at which the option holder can buy or sell the underlying asset b) The current market price of the underlying asset c) The premium paid for the option d) The future price of the asset	K2	CO1
4	7	Which strategy involves using a combination of short-term and long-term moving averages to identify buy and sell signals? a) Chart Pattern Strategy b) Moving Average Strategy c) Trend Line Strategy d) Arbitrage Strategy	K1	CO1
	8	Show the following type of chart pattern that is typically used to identify reversals in the trend a) Cup and Handle b) Trendline Breakout c) Moving Average Crossover d) Fibonacci Retracement	K2	CO1
5	9	What is a swap option? a) An option to enter into a swap agreement b) A type of stock option c) An exotic option that pays based on the performance of an underlying asset d) A standard call option on interest rates	K1	CO1
	10	How exotic options are typically priced? a) Using simple average methods b) Using the Black-Scholes model exclusively c) Through binomial trees or Monte Carlo simulations d) By estimating future dividends	K2	CO1

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Analyze the primary objectives of investment decisions.	K4	CO3
		(OR)		
	11.b.	Examine the meaning of Fixed Income Securities, and how do they function?		
2	12.a.	Describe the process of calculating and interpreting Fibonacci Retracement levels.	K6	CO2
		(OR)		
	12.b.	Discuss the differences between Ascending and Descending Triangles and their implications for trading.		
3	13.a.	Analyze the concept of options, highlighting the key features of an option contract.	K4	CO3
		(OR)		
	13.b.	Examine the importance of Margins in options trading. How are margins calculated.		
4	14.a.	Explain the Heikin-Ashi strategy and its application in trading.	K5	CO4
		(OR)		
	14.b.	How do divergence strategies help traders identify potential reversals? - Explain.		
5	15.a.	Assess the meaning of interest rate caps and how they function?	K5	CO4
		(OR)		
	15.b.	Explain the process of pricing exotic options using binomial trees.		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Analyze the various Technical Analysis tools and techniques used to forecast price movements in financial markets.	K4	CO3
2	17	Discuss the Elliott Wave theory and its principles for identifying wave formations.	K6	CO2
3	18	Examine the specifications and key features of a Currency Options contract.	K4	CO3
4	19	Evaluate the different types of participants in the futures market and their roles.	K5	CO4
5	20	What are the key advantages and challenges associated with interbank options trading? – Explain.	K5	CO4

Z-Z-Z END