

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

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

Branch – **CORPORATE SECRETARIALSHIP**

MAJOR ELECTIVE COURSE – I : INVESTMENT AND TRADING STRATEGIES

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ANSWER ALL questions

$$(10 \times 1 = 10)$$

Cont...

5	10	Relate: What is a binomial tree used for in option pricing? a) To visualize the potential payoff of an option strategy b) To calculate the value of an option at different points in time c) To simulate random price movements in the underlying asset d) To estimate the probability of profit for a given option trade	K2	CO1
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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.	Examine the characteristics and types of fixed income securities. (OR)	K4	CO3
	11.b.	Analyze the factors that influencing the pricing of options and futures contracts.		
2	12.a.	Explain the different types of waves in Elliott Wave Theory. (OR)	K5	CO4
	12.b.	Explain how the Average Directional Index (ADX) can help traders assess the strength of a trend.		
3	13.a.	How options are used for hedging and speculation purposes? – Analyze. (OR)	K4	CO3
	13.b.	Examine currency options and distinguish them from other types of options.		
4	14.a.	How do traders use support and resistance levels in trading strategies? – Discuss. (OR)	K6	CO5
	14.b.	Elaborate the trading strategy based on support and resistance levels.		
5	15.a.	Explain the types of option strategies commonly used in financial markets. (OR)	K5	CO4
	15.b.	Assess the characteristics and applications of an interest rate floor.		

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	Examine the difference between primary and secondary financial markets and their respective functions.	K4	CO3
2	17	Explain the head and shoulders pattern and its implications for price movements.	K5	CO4
3	18	Examine the role of currency options in managing exposure to currency fluctuations in investment portfolios.	K4	CO3
4	19	Explain how traders can use a moving average crossover strategy.	K5	CO4
5	20	Discuss the steps involved in constructing a binomial tree for option pricing, including assumptions and considerations.	K6	CO5