

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch – **BANKING, STOCK AND INSURANCE**

INVESTMENT MANAGEMENT

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	Which of the following is an example of a financial asset? (i) Gold (ii) Land (iii) Equity Share (iv) Building	K1	CO1
	2	Commodities are considered investments because they: (i) Generate fixed interest (ii) Represent ownership in companies (iii) Have intrinsic value and hedge against inflation (iv) Are risk-free assets	K2	CO1
2	3	Mark the agency that provides credit ratings for bonds in India. (i) SEBI (ii) RBI (iii) CRISIL (iv) IRDA	K1	CO2
	4	Identify the relationship between bond price and market interest rate. When market interest rates increase, bond prices generally _____ (i) Increase (ii) Decrease (iii) Remain constant (iv) Double	K2	CO2
3	5	Recall the approach that evaluates a company based on financial statements, earnings, and economic factors. (i) Technical Analysis (ii) Fundamental Analysis (iii) Random Walk Theory (iv) Speculation	K1	CO3
	6	Which of the following accounting policies developed due to change in prices the value of the inventory may change greatly during an operating period? (i) Inventory pricing (ii) Non – operating income (iii) Tax carryon (iv) Depreciation method	K2	CO3
4	7	Identify the financial instrument that derives its value from an underlying asset. (i) Equity Share (ii) Mutual Fund (iii) Derivative (iv) Debenture	K1	CO4
	8	State the relationship between risk and return in portfolio management. (i) Higher risk always guarantees profit (ii) Higher risk is generally associated with higher expected return (iii) Risk and return are unrelated (iv) Lower risk provides higher return	K2	CO4
5	9	Mention the illegal practice of trading securities based on unpublished price-sensitive information. (i) Arbitrage (ii) Hedging (iii) Insider Trading (iv) Speculation	K1	CO5
	10	Identify investor grievances from investor activism. Investor grievances mainly relate to: (i) Collective shareholder campaigns (ii) Complaints regarding unfair practices (iii) Public awareness programs (iv) Policy advocacy initiatives	K2	CO5

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.	Define investment and describe the investment decision process.	K1	CO1
		(OR)		
	11.b.	State the sources of financial information available to investors.		
2	12.a.	List the major features of a bond.	K2	CO2
		(OR)		
	12.b.	State the different types of bonds issued in the financial market.		
3	13.a.	Compute the value of a share using the price-earnings (P/E) multiple approach with suitable data.	K3	CO3
		(OR)		
	13.b.	Explain how Fundamental Analysis can be used to evaluate an investment decision with an example?		
4	14.a.	Examine the concept of mutual funds to construct a simple investment plan for a small investor.	K3	CO4
		(OR)		
	14.b.	Illustrate the working of financial derivatives with reference to futures or options contracts in India.		
5	15.a.	Compare the impact of insider trading and fair disclosure practices on market integrity.	K4	CO5
		(OR)		
	15.b.	Investigate how investor awareness programs contribute to investor protection.		

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	Explain the concept of return and risk in investment.	K1	CO1
2	17	Explain the procedure for estimating bond yields	K2	CO2
3	18	Examine a case situation and determine whether the market reflects Weak Form efficiency based on given price information.	K3	CO3
4	19	Examine the structure and functioning of financial derivatives markets in India and apply their role in risk management.	K3	CO4
5	20	Examine the effectiveness of SEBI and stock exchanges in preventing fraudulent practices and protecting investors.	K4	CO5

Z-Z-Z

END