24BSB635A

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch – **BANKING, STOCK AND INSURANCE**

MAJOR ELECTIVE COURSE - II FIXED INCOME SECURITIES MARKET

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 involves in the nature of investment ? (i) Risk and return (ii) Only profit (iii) Only safety (iv) Only liquidity	K1	CO1
	2	Which of the following refers to risk in investment ? (i) Certainty of income (ii) Possibility of loss only (iii) Variability of returns (iv) Guaranteed profit	K2	CO1
2	3	Choose the simple interest is calculated on______ (i) Principal only (ii) Principal plus interest (iii) Total accumulated value (iv) Market price	K1	CO2
	4	When market interest rates rise, bond prices generally ______ (i) Increase (ii) Decrease (iii) Remain constant (iv) Double	K2	CO2
3	5	Which of the following is included in the study of economic analysis ? (i) GDP and inflation (ii) Moving averages (iii) Chart patterns (iv) Stock resistance levels	K1	CO3
	6	Outline the bollinger bands are used to measure__________ (i) Dividend growth (ii) Market volatility (iii) Company profits (iv) Interest rate	K2	CO3
4	7	Which one of the following is also known as Markowitz Model ? (i) Modern Portfolio Theory (ii) Capital Market Theory (iii) Dow Theory (iv) Arbitrage Theory	K1	CO4
	8	Who developed the CAPM ? (i) Markowitz (ii) Sharpe (iii) Ross (iv) Keynes	K2	CO4
5	9	Which of the following is the primary goal of portfolio management ? (i) Maximize risk (ii) Minimize diversification (iii) Optimize risk and return (iv) Avoid market exposure	K1	CO5
	10	Outline the Treynor Ratio measures return per unit of: (i) Total risk (ii) Unsystematic risk (iii) Systematic risk (iv) Inflation risk	K2	CO5

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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.	Explain the scope of investment?	K2	CO1
		(OR)		
	11.b.	Differentiate between Systematic Risk and Unsystematic Risk.		
2	12.a.	Explain the concept of Time Value of Money with suitable example.	K2	CO2
		(OR)		
	12.b.	Summarise various types of bond yields and their importance to investors.		
3	13.a.	Identify the objectives of fundamental analysis.	K3	CO3
		(OR)		
	13.b.	Identify the difference between technical analysis and fundamental analysis.		
4	14.a.	Categorize the basic assumptions of Arbitrage Pricing Theory.	K4	CO4
		(OR)		
	14.b.	Compare the relationship between Markowitz Model and CAPM.		
5	15.a.	Compare the diffenerce between Active vs Passive portfolio management	K4	CO4
		(OR)		
	15.b.	Analyze the Factors Affecting Investment Decisions in Portfolio Management.		

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 various types of investors.	K2	CO1
2	17	Explain the relationship between Nominal and Real Interest Rates.	K2	CO2
3	18	Explain the different types of charts used in Technical Analysis.	K3	CO3
4	19	Analyze the three forms of efficient market efficiency.	K4	CO4
5	20	Explain Treynor Ratio and how it differs from Sharpe Ratio.	K4	CO5

Z-Z-Z END