22CSP210BN

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION MAY 2026
(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	Investors agree to invest in high-risk Investments if any. (i) True Speculation (ii) The predicted return is satisfactory for taking a risk (iii) There is no safe options except for holding cash (iv) The return is short.	K1	CO1
	2	What does the term "IPO" stand for in the context of financial markets? (i) Initial Public Offering (ii) International Portfolio Organization (iii) Investment Policy Outline (iv) Intraday Price Oscillation	K2	CO1
2	3	In technical analysis, what does the term "double top" refer to? (i) A bullish reversal pattern (ii) A bearish reversal pattern (iii) A continuation pattern (iv) A rounding bottom pattern	K1	CO2
	4	What is a "head and shoulders" pattern in technical analysis? (i) A bullish reversal pattern (ii) A bearish reversal pattern (iii) A continuation pattern (iv) A symmetrical triangle pattern	K2	CO2
3	5	What is the primary purpose of a currency option? (i) To provide insurance against currency fluctuations (ii) To guarantee a fixed exchange rate (iii)To facilitate international trade transactions (iv) To speculate on changes in currency exchange rates	K1	CO3
	6	Which entity typically issues currency options? (i) Central Banks (ii) Investment Banks (iii) Hedge Funds (iv) Stock Exchanges	K2	CO3
4	7	What is the primary goal of an options trading strategy? (i) To maximize leverage (ii) To minimize transaction costs (iii) To hedge risk (iv) To increase capital gains	K1	CO4
	8	Which options strategy involves simultaneously buying a call option and a put option with the same strike price and expiration date? (i) Long Straddle (ii) Short Strangle (iii) Bull Call Spread (iv) Bear Put Spread	K2	CO4
5	9	Which of the following options strategies involves simultaneously buying a call option and a put option with the same expiration date but different strike prices? (i) Straddle (ii) Strangle (iii) Butterfly spread (iv) Iron condor	K1	CO5
	10	Which option pricing model is commonly used for European-style options on dividend-paying stocks? (i) Black-Scholes model (ii) Binomial option pricing model (iii) Cox-Ross-Rubinstein model (iv) Monte Carlo simulation	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.	Summarize the objectives of investment decision.	K3	CO1
		(OR)		
	11.b.	How do Securities market function?		
2	12.a.	Define waves and explain its types.	K3	CO2
		(OR)		
	12.b.	Describe the Average Directional Index (ADX)?		
3	13.a.	Describe Currency Option	K3	CO3
		(OR)		
	13.b.	Recall the types of Option Usage and interpreting applications of Options.		
4	14.a.	How to identify support and resistance level? Explain.	K3	CO4
		(OR)		
	14.b.	Describe the types of Participants in future market.		
5	15.a.	Discuss the types of interest Rates options. And explain it	K3	CO5
		(OR)		
	15.b.	Explain Swaptions.		

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	Analyse different types of charts patents with diagram.	K3	CO1
2	17	Describe the key components of a trading strategy that combines Fibonacci retracements with chart patterns?	K3	CO2
3	18	Discover Payoff profiles of options.	K3	CO3
4	19	Elucidate the types of Strategies.	K4	CO4
5	20	Evaluate the Exotic Option and its types.	K4	CO5

Z-Z-Z END