

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION MAY 2023
(Second Semester)

Branch – CORPORATE SECRETARYSHIP

MAJOR ELECTIVE COURSE – I:
INVESTMENT AND TRADING STRATEGIES

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Capital Market denotes
 - (i) Market in which securities are bought and sold.
 - (ii) A financial market in which long-term debt or equity-backed securities are bought and sold.
 - (iii) Entrepreneurs in one country copy an existing market.
 - (iv) A market structure is defined by a large number of small firms competing against each other.
2. Which technique used to get nth Fibonacci term?
 - (i) recursion
 - (ii) dynamic programming
 - (iii) a single for loop
 - (iv) recursion dynamic programming single for loop
3. What is the key feature of a currency option?
 - (i) It cannot be traded
 - (ii) It is the lowest cost hedging instrument available
 - (iii) It provides the holder with an asymmetric hedge against currency movements
 - (iv) It permits the holder to determine the exchange rate at which it is redeemed
4. Hedgers use Futures contracts to protect their investment portfolio value during -----
 - (i) volatile times
 - (ii) all occasions
 - (iii) stable times
 - (iv) recession
5. Exotic options
 - (i) Can always be hedged just as easily as regular options
 - (ii) Are easier to hedge than regular options
 - (iii) Are more difficult to hedge than regular options
 - (iv) Are sometimes easier and sometimes more difficult to hedge than regular options

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a. Discuss the various categories of financial markets.
OR
b. State different modes of fixed-income securities.
7. a. Explain the average directional index uses in futures markets.
OR
b. State the golden rule of Fibonacci retracement.

Cont...

8. a. Evaluate the different types of future options contract.
OR
b. Illustrate different kinds of pay-off diagrams.
9. a. Sketch the benefits of the Heikin-Ashi Technique.
OR
b. State different types of macro arbitrage strategy.
10. a. Explain the features of the digital option.
OR
b. Analyze the various forms of barrier options.

SECTION -C (30 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks

(5 x 6 = 30)

11. a. Elucidate the assumptions of Modern Portfolio Theory.
OR
b. Enumerate the objectives of the investment decision.
12. a. Evaluate the method of calculating the Average Directional Movement Index (ADX).
OR
b. Analyse the rules of Elliott waves theory.
13. a. Interpret the advantages and disadvantages of options.
OR
b. Assess different types and benefits of currency options.
14. a. Elucidate various modes of moving average strategies.
OR
b. Evaluate chart pattern strategy rules.
15. a. Illustrate various types of interest rate options.
OR
b. Analyze the options traded in the interbank market.

Z-Z-Z END