

SM

Reg. No. :

D 2149

Q.P. Code : 107 DMB-IM 361

(For the candidates admitted from 2007 onwards)

M.B.A. DEGREE EXAMINATION DECEMBER 2009.

Second Year

Investment Management

DERIVATIVES MANAGEMENT AND
COMMODITIES MARKETS

Time : Three hours

Maximum : 100 marks

Answer any FIVE out of Eight questions.

1. Define derivatives. Explain the need for the derivatives markets in India.
2. What are difficult types of futures? Explain them with suitable examples.
3. What is hedging? What are its advantages?
4. What are stock index options? Explain the process of their valuation.
5. What are the features and advantages of warrants?

6. Determine the value of call option with black Scholes model for the following data $\sigma = 0.2$, $R = 0.10$, $P = \text{Rs. } 70$, $T = 0.3$ years $S = \text{Rs. } 74$.

7. Discuss the scope for index futures in Indian Capital market.

8. Write few development in commodity market in India.

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Q.P. Code : [07 DMB-IM 37]

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M.B.A. DEGREE EXAMINATION, DECEMBER 2009.

Second Year

Investment Management

**INDIAN CAPITAL MARKET AND FINANCIAL
SYSTEM**

Time : Three hours

Maximum : 100 marks

Answer any FIVE out of Eight questions.

(5 × 20 = 100)

1. What are the segments of a capital market? Explain the new issue market and its position in India.
2. "The OTCEI was established with a definite purpose". What it was and is it able to achieve it or not? Examine.
3. What steps have been taken by SEBI to bring more transparency in securities market transactions in India?

4. The NSE has emerged as the leading stock exchange of India. In the light of this statement explain the features of the NSE.

5. What is a merchant banker? Examine the role of merchant banker in the issue management.

6. Distinguish between rights issue and bonus issue methods of marketing new securities.

7. What are convertible securities? Explain the various features of convertible debentures.

8. Evaluate the financial development of India in terms of key measures.

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Second Year

Investment Management

INTERNATIONAL FINANCIAL MARKETS

Time : Three hours

Maximum : 100 marks

Answer any FIVE out of Eight questions.

All questions carry equal marks.

(5 × 20 = 100)

1. How does the knowledge about international economics help international financial manager in his day to day decision making?
2. What are the additional factors in international financial management as compared with domestic financial management? Discuss.
3. Examine the relationship between spot rate and forward rate.

4. What do you mean by foreign exchange risk management? What are the techniques to offset the foreign exchange risk?

5. Briefly explain and illustrate with an imaginary example the chair method of marking out cross rates.

6. Write a brief note on the evolution of international monetary system and Indian exchange rate system.

7. What are important techniques of exposure management which may be internally adopted by a multinational firm.

8. Write a brief note highlighting special problems of developing countries in financing foreign trade. Also indicate possible ways out.

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Q.P. Code : [07 DMB-IM 39]

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Second Year

Investment Management

RISK MANAGEMENT AND INSURANCE

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

(5 × 20 = 100)

1. Distinguish between 'Pure Risk' and 'Speculative Risk'. Explain how pure risk has an adverse effect on economic activity.
2. Describe the responsibility of the 'risk management and risk managers' position within the organization.
3. Elaborate on the Corporate Risk Management process. State the types of risk managing firms.
4. Describe the essential features of a life insurance contract.

5. What are the different types of Pension Plans issued by the LIC? Explain the features of any two policies.

6. Explain any three features which distinguish life insurance and fire insurance. Discuss the various functions of fire insurance.

7. Point out the main characteristics and types of General Average Loss and Particular Average Loss. Distinguish between the two.

8. Critically analyse the different kinds of Motor Insurance Policies.

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Q.P. Code : [07 DMB-IM 40]

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Second Year

Investment Management

MUTUAL FUNDS IN INDIA

Time : Three hours

Maximum : 100 marks

Answer any FIVE out of Eight questions.

(5 × 20 = 100)

1. What are mutual funds? Discuss the role of mutual funds.
2. How will you evaluate mutual funds?
3. Describe the legal structure of mutual funds.
4. Explain the concept of funds mergers with examples.

5. Discuss the role of RBI in regulating mutual funds.

6. Outline the rights and obligations of the investors.

7. What are distribution channels? Explain the challenges of distributing mutual funds.

8. Outline the procedure involved in NAV computation of mutual funds.

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Q.P. Code : [07 DMB IM 41]

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M.B.A. DEGREE EXAMINATION DECEMBER 2009.

Second Year

Investment Management

SECURITY ANALYSIS AND PORTFOLIO
MANAGEMENT

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

(5 × 20 = 100)

1. Explain the terms "Investments and "Risk". State how investments and risk are related. Discuss different types of risks involved in investment.
2. The returns of a stock during the past five years were as follows :
0.07, 0.03, - 0.09, 0.06 and 0.10
Compute the following :
(a) Arithmetic Mean
(b) Variance
(c) Standard Deviation.

3. Why is valuation of equity different from that of debenture or preference share? What is the purpose of equity valuation?
4. State the meaning, rationale, procedure and limitations of fundamental Analysis.
5. Define "Random Walk Hypothesis". What basic assumptions underlying technical analysis differ with the weak form of Efficient Mark Theory? Discuss.
6. Explain Dow Theory. Analyze the various charts and trends used by Technical Analysts to exercise the option of buying / selling securities in the stock market.
7. Define efficient frontier as determined under Markowitz approach.
8. Discuss various measures of portfolio performance evaluation and state the basic difference between Treynor and Sharpe's performance measures.

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Q.P. Code : [07 DMB-IM 42]

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Second Year

Investment Management

PROJECT FINANCE AND MANAGEMENT

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

(5 × 20 = 100)

1. Bring out the factors influencing the project investment. What are the phases of capital expenditure?
2. What are the sources of project ideas? Explain in detail the procedure of screening and selection of project ideas.
3. What do you mean by risk in investment proposal? How can it be measured? Explain.
4. What is feasibility analysis? Why is it great significant to firm? Write a note on financial feasibility analysis.

5. Discuss the need and importance of social cost benefit analysis. How do you evaluate the benefits associated with social aspects?

6. List out the significance of project review. Explain the project evaluation techniques in detail.

7. Write short notes on the following

- (a) Demand analysis.
- (b) Project control.
- (c) Abandonment analysis.
- (d) Project crashing.

8. The project activities and timings are given below:

Activity : 1-2 1-3 1-4 2-5 3-6 3-7 4-6 5-8

Duration : 2 2 1 4 8 5 3 1

Activity : 6-9 7-8 8-9

Duration : 5 4 3

- (a) Draw the network diagram.
- (b) Tabulate earliest start, earliest finish, latest start and latest finish time for all activities.
- (c) Calculate the total, free and independent floats.
- (d) Find the critical path and duration.