

**July 2021**  
**M. B. A. (Financial Administration) Examination**

**IInd Semester**  
**INVESTMENT MANAGEMENT**

[Max. Marks 90]

**Special Note : Word limit for answer of each question is 250 to 300 words.**

**Note : Attempt any three questions from Section A. Each question carries 22 marks. Section B is compulsory and carries 24 marks.**

**Section A**

1. What do you mean by investment ? How will you differentiate from speculation ? Discuss the process of investment.
2. How valuation of fixed income securities different from valuation of equities ?
3. Which is better technical analysis or fundamental analysis, why ? Give differences.
4. What are chaos theory ? How can one relate chaos theory with the stock market ?
5. Write short notes on the following :
  - (a) Limitations of Dow Theory
  - (b) Factors affecting valuation of Bond
  - (c) Modified Duration.

**Section B**

6. Calculate YTM of a bond with face value Rs. 100 and market price of Rs. 89. The coupon paid by bond is 12% p.a. with a maturity of 5 years.
7. Alpha Ltd. paid dividend of Rs. 1 last year. Investors expect to receive dividend of Rs. 2 this year and Rs. 3 next year. Further they expect that company will grow at constant growth rate of 10%. Will you buy the stock trading in market at Rs. 45, if your expected return is 15%.

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