

QP CODE

Enrollment Number:

H2022

Name:

M.COM DEGREE EXAMINATIONS, FEBRUARY 2026

Third Semester

M.Com

M21CM09DC – Investment Management

(2024 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

1. What is investment?
2. What is stock market efficiency?
3. What is fundamental analysis?
4. What is financial statement analysis?
5. Explain return of a portfolio
6. What is portfolio diversification?
7. What is Optimal Portfolio?
8. What are some common reasons that might necessitate portfolio revision?

(2X5=10)

Section B

Answer any six of the following questions in a paragraph each. Each question carries 5 marks.

9. Briefly explain the Investment avenues.
10. Monthly return data (in percent) for CIPLA Stock and BSE Index for a 12 month period are given below. Calculate beta of the security.

Month	CIPLA Stock	BSE Index
1	10.27	11.00
2	9.31	3.69
3	6.73	4.20
4	5.68	-4.93
5	2.60	3.05
6	2.86	5.88
7	2.78	3.74

8	3.84	2.63
9	-6.51	-2.10
10	-23.42	-21.35
11	0.00	-4.55
12	6.64	2.8

11. Elaborate the terms Economic (Macroeconomic) analysis, Industry analysis and Company Analysis (E-I-C) under Fundamental analysis.
12. Explain Technical Analysis and differentiate between Fundamental analysis and Technical analysis.
13. Stock A and B have the following returns for the past two years.

Years	Return - %	
	A	B
2014	12	14
2015	18	12

- a. What is the expected return on portfolio made up of 60% of A and 40% of B?
 - b. Find out the Standard deviation of each stock.
 - c. What is covariance and coefficient of correlation between stock A and B?
 - d. What is the portfolio risk of a portfolio made up of 60% of A and 40% of B?
14. The return and probability distribution of security A is given below. Calculate expected return and standard deviation.

Return	6	7	8	9	10
Probability	0.10	0.25	0.30	0.25	0.10

15. What is Portfolio Evaluation and Methods used for Portfolio Evaluation?
16. Explain the Need for Portfolio Revision and Portfolio Revision strategies.
17. The details of three funds A, B and C is given in the table below.

Fund	Return	Beta
A	18	1.2
B	15	0.8
C	21	1.5

Market Index 16 1.0
Market Beta = 1.0
Risk free return = 10 %
Evaluate which fund performs better.

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18. Distinguish between Systematic Risk and Unsystematic Risk.

(5X6=30)

Section C

Answer any two of the following questions in four pages each. Each question carries 15 marks.

19. The following details are given for X and Y Companies' stock and the Bombay Sensex for a period of one year. Calculate the systematic and unsystematic risk for companies' stocks. If an equal amount of money is allocated for the stocks, what would be the portfolio risk?

	X Stock	Y Stock	Sensex
Average return	0.15	0.25	0.06
Variance of return	6.30	5.86	2.25
β	0.71	0.27	-
Correlation co-efficient	-	0.424	-

20. Define investment. Discuss the process of investment.

21. Explain the methods or techniques used to conduct technical analysis.

22. The following three portfolios provide the particulars given below.

Portfolio	Average Annual Return	Standard Deviation	Correlation Co-efficient market & Portfolio
A	18	27	0.9
B	14	18	0.6
C	15	8	0.9
Market	13	12	-

Risk-free return is 9.

(a) Rank these portfolios using Sharpe's and Treynor's Method

(b) Compare both the indices

(15X2=30)