

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2019-2020 and thereafter)

COURSE CODE: 19VB/VM/ST44

B.VOC DEGREE EXAMINATION –APRIL 2022
BANKING, FINANCIAL SERVICES AND INSURANCE
FOURTH SEMESTER

COURSE : MAJOR - CORE
PAPER : STOCK TRADING SIMULATION
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

Answer ALL questions:

(10 x 2 = 20)

1. Write a note on “Stock”.
2. How ask price is different from bid price?
3. List the trading procedure involved in stock exchange.
4. Write a short note on yield to worst.
5. Describe the features of debt instrument.
6. Write a Short note on Mortgage – Backed Security.
7. What is credit default swap?
8. Explain buy and hold strategy.
9. Write short - note on straddle.
10. What is the process in credit rating?

SECTION – B

Answer any FIVE questions:

(5 x 4 = 20)

11. Explain the importance of stock market index.
12. State the factors influencing Price Earnings ratio.
13. What is ETF? Explain its types.
14. What is Black – Scholes Model? Explain the assumptions in Black – Scholes model.
15. Explain briefly call and put option.
16. Write a brief note on credit rating agencies in India.
17. Explain the price and volume chart in detail.

SECTION – C

Answer any TWO questions:

(2 x 15 = 30)

18. What is stock valuation? Explain the types and popular stock valuation methods.
19. Enumerate in detail different types of Bonds.
20. Explain in detail the roles and regulatory framework of investment banks.

SECTION – D

Case Study Analysis

(5 x 6 = 30)

Ms. Geetha’s goal is to invest in properties and equity shares. She decided to invest in various portfolios in order to expand her business operations. Ms. Geetha was into various business operations like real estate, software development,

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stock broking, mutual funds and financing company. Ms. Geetha is a vibrant investor with wide knowledge about the stock markets and its operations. Over the years, Ms. Geetha's regular pattern of investing also helped her to expand her business in the future. As the markets went up, Geetha would buy less, but if the market was down, Geetha would buy more. By buying less when prices were high and more when prices were low, Geetha averaged out the unit price of her investments, and reduced her investment costs. This investment strategy made Ms. Geetha a successful investor.

At the end of each year, Geetha's total investment had grown to millions of Rupees. She now had the money to purchase an investment property and extra money for both establishment of a new business and expansion of existing units. Suddenly the economic condition of the country had declined. Ms. Geetha was analysing the economic factors that would affect her investment and started to do market analysis to minimize the loss and was a successful investor even at the time of economic meltdown. Ms. Geetha had her business operations overseas and most of her stocks are also listed in the foreign exchanges with the norms pertaining to that country. She was able to sustain in her business because of her knowledge about the market and tactical investment strategies.

Question:

1. Ms. Geetha's goal is to invest in properties and equity shares. Is her decision on these two-investment feasible? Explain the features of equity shares.
2. How did Ms. Geetha reduce her investment cost and expand her business?
3. What equity portfolio management strategy is adopted by Geetha?
4. Explain how economic analysis would affect investment decision?
5. "Market Analysis is a mandate for strategic investment" – elucidate this statement.
