

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

B.Com DEGREE EXAMINATION NOVEMBER 2023
COMMERCE
THIRD SEMESTER

COURSE : MAJOR CORE
PAPER : INVESTMENT PLANNING
SUBJECT CODE : 19CM/MC/IP33
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

Answer ALL questions: (10x2=20)

1. What is diversification in investment?
2. Define liquidity risk in the context of investments.
3. What are the primary differences between a stock dividend and a cash dividend?
4. Describe the "bull" and "bear."
5. Write any two primary objectives of a hedge fund.
6. Define systematic risk.
7. What is the difference between a stop order and a limit order?
8. Write two significance of the price-to-earnings (P/E) ratio when evaluating a stock for investment.
9. Write a short note on "dividend yield."
10. What role does the Federal Reserve play in influencing interest rates?

SECTION – B

Answer any FIVE questions: (5x8=40)

11. What are the primary aims of pursuing investments in the financial market?
12. Elaborate on the notion of generating wealth within the context of the investment process.
13. Outline the significant distinctions between government-issued bonds and corporate-issued debentures.
14. Provide a concise overview of the fundamental characteristics of equity and preference securities concerning investment.
15. Identify common categories of derivative securities and elucidate their distinctions from conventional investments like stocks and bonds.
16. Assess how taxes and inflation influence the actual returns on an investment. Offer illustrative examples.
17. Evaluate the role of the Companies Act 2013 and the Securities Contract and Regulation Act 1956 in safeguarding investor interests.

SECTION – C**Answer any TWO questions:****(2x20=40)**

18. Discuss three distinct investment strategies investors can employ in the financial market. Analyze the risks associated with each strategy.
19. Evaluate the influence of global economic factors, such as exchange rates, inflation rates, and geopolitical events, on investment decisions and portfolio performance.
20. What are Mutual Funds? Explain the various types and advantages of Mutual Funds.
21. What legal provisions in India, as per SEBI Act 1992, are in place for investor protection in the financial market?
