No. of Printed Pages—2

85G (IMF)

[18–HRGPKAC–M3S]

MBA 3rd Semester Exam., 2018

INVESTMENT MANAGEMENT (FINANCE)

[MBA (S3) 15]

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions : 2×5=10

(a) What is meant by arbitrage?

(b) Mention two features of risk-free asset.

(c) What is meant by price-earnings ratio?

(d) What is meant by book value per share?

(e) What is passive strategy?

(f) If 8% preference share of a company is sold at ₹ 60, calculate the current yield.

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2. Answer any *three* from the following questions (each within *150* words) : 4×3=12

(a) Write a short note on arbitrage pricing theory.

(b) Discuss four features of preference shares.

(c) What is bond duration? How is it calculated? 2+2=4

(d) Write a short note on Beta.

3. Answer any *three* from the following questions (each within *250* words) : 6×3=18

(a) Discuss the earnings multiplier approach of stock valuation.

(b) Evaluate the bond price theorems.

(c) Discuss the constant growth model of risk return analysis.

(d) What is speculation? Distinguish between investment and speculation. 2+4=6

4. Answer any *four* from the following questions (each within *500* words) : 10×4=40

(a) Critically evaluate the Capital Asset Pricing Method (CAPM) of portfolio management.

(b) Evaluate the constant growth model and multistage growth model of stock valuation.

(c) Describe the traditional approach of portfolio construction.

(d) Describe different types of bonds.

(e) Discuss the factors to be considered by an investor in present-day market situation.

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