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DEBC605

Reg. No. | | | | | | | | |

VI Semester B.Com. (Regular) Degree Examination, June/July -2026

COMMERCE (Finance Elective - 2)

Investment Management

(NEP Scheme 2020 F+R)

Paper- COM 6.5

Time :2½ Hours **Maximum Marks : 60**

Instructions to Candidates:

Answer should be written completely in English.

SECTION - A

Answer any Five of the following sub-questions. Each sub - question carries Two marks. **(5×2=10)**

1. a) State any two objectives of investment.

   b) Define a money market instrument.

   c) Give any two examples of capital market instruments.

   d) What is fundamental analysis?

   e) Explain the relationship between risk and return.

   f) What is portfolio management?

   g) What is the EIC framework?

SECTION - B

Answer any Four of the following questions. Each question carries Five marks. **(4×5=20)**

2. Distinguish between systematic risk and unsystematic risk.

3. State any five characteristics of a good investment.

4. Explain the investment process.

5. An investor has a portfolio with the following expected outcomes. Calculate the expected portfolio return

[P.T.O.

State of Economy	Probability of Occurrence	Rate of Return
Boom	0.10	40%
Normal	0.40	15%
Recession	0.50	5%

6. Find the present value of a bond with a face value of Rs. 5000, a coupon rate of 8% (annual), and a maturity period of 7 years, if the required rate of return is 10%.

SECTION - C

Answer any Two of the following questions. Each question carries Twelve marks. **(2×12=24)**

7. Discuss the Efficient Market Hypothesis and its forms.

8. Evaluate the portfolio performance using Treynor's measure, Sharpe's measure, and jensen's alpha based on the following data. Assume the risk-free rate is 10%.

Mutual Fund	Mean Return (%)	Beta	Standard Deviation (%)
A	12	1.2	15
B	10	1	12
C	8	0.8	10
D	7	0.7	4

9. Answer both the following:

   a) Find the value of redeemable preference shares (Face value Rs. 100 each) carrying a dividend rate of 7%, assuming redemption at par, if the required rate of return is 9%, 11%, and 13%.

   b) Find the value of irredeemable bonds carrying an interest rate of 11% and a face value of Rs. 1000 each, If the required rate of return is 10%, 12%, and 14%.

SECTION - D

Answer any One of the following questions. It carries Six marks. **(1×6=6)**

10. Draft a brief prospectus for a company issuing equity shares and debentures using hypothetical figures.

11. Write a short note on the requirements for an individual to engage in stock trading.