**TU/ CODL**

**TEZPUR UNIVERSITY**

**SEMESTER END EXAMINATION (AUTUMN), 2017**

**DIM102: FUNDAMENTALS OF INVESTMENT MANAGEMENT**

Time: **3 Hours** Total Marks: **70**

*The figures in the right-hand margin indicate marks*

*for the individual question*

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1. Fill in the blanks with appropriate words **1×5=5**
   1. The primary purpose of financial markets is to transfer funds from lenders to \_\_\_\_\_\_\_\_\_\_\_\_.
   2. Bonds or debentures represent long term \_\_\_\_instruments
   3. \_\_\_\_\_\_\_\_\_\_\_ are the market participants in the stock market who use derivative instruments to reduce or eliminate the risk associated with price of a particular asset.
   4. \_\_\_\_\_\_\_\_\_\_\_\_ are in business to take advantage of a discrepancy between prices in two different markets.
   5. The investor will select the portfolio that will \_\_\_\_\_\_\_\_\_\_\_ his risk and maximize his return.
2. Briefly define the following concepts in two or three sentences ***(Any five)*** **2×5=10**
   1. Nifty 50
   2. Systematic Risk
   3. Capital Gain
   4. Marketability
   5. Market Capitalisation
   6. Market Index

**P. T. O.**

1. How do you distinguish financial investment from economic investment? **5**
2. Why debt valuation ratio is important to measure for stock market investment? What are the main differences between turnover ratio and valuation ratio? **3+3=6**
3. What do you mean byreal estate rental? What do you understand by flipping properties?  **2+4=6**
4. What is market risk and business risk? What are the factors responsible for business risk?  **4+4=8**
5. Is financial planning necessary for individuals working in private corporations? Briefly explain your answer with proper justifications. **2+4=6**
6. Explain how the commodities market is different from equity market **8**
7. Discuss the relationship between risk and return of any securities considering the various investment alternatives available in India.  **8**
8. If you deposit Rs. 100,000 in a bank which is paying a 6.5 per cent rate of interest on a ten-year time deposit, how much would the deposit grow at the end of ten years? **8**

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