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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2023-24 ONLY)

SUBJECT CODE **23 UEC 6E4**

REG.NO.

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : MAY– 2026

B.COM.-E.COMMERCE **MAXIMUM MARKS: 75**

VI SEMESTER **TIME : 3 HOURS**

PART – III

INVESTMENT MANAGEMENT

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. **(K1)**

1. Which of the following best distinguishes investment from speculation?
   a) Investment involves short-term price fluctuations
   b) Speculation is based on fundamental analysis
   c) Investment aims at safety of principal with reasonable return
   d) Speculation always involves diversification
2. Which of the following is considered a leading economic indicator used in fundamental analysis?
   a) Gross Domestic Product (GDP)
   b) Inflation rate
   c) Stock market index
   d) Unemployment rate
3. According to Dow Theory, which of the following confirms a primary trend?
   a) Volume movements
   b) Minor fluctuations
   c) Confirmation by both industrial and transportation averages
   d) Secondary reactions
4. The main objective of portfolio management is to…………
   a) Maximize return without considering risk
   b) Minimize risk regardless of return
   c) Achieve an optimal risk–return combination
   d) Invest only in equity securities
5. The Capital Asset Pricing Model (CAPM) establishes a relationship between…………
   a) Risk and diversification
   b) Return and liquidity
   c) Expected return and systematic risk
   d) Total risk and unsystematic risk

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES **(K2)**

6. Define investment.
7. Indicate any two economic indicators used for investment analysis.
8. Explain Dow Theory in simple terms.
9. What is Portfolio Construction?.
10. Differentiate between the Markowitz Model and Sharpe Single Index Model.

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SECTION – B (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)

11. a) Differentiate between investment and gambling.

(OR)

b) Illustrate the importance of investment in economic growth.

12. a) Explain the importance of fundamental analysis.

(OR)

b) Describe the internal factors affecting company performance.

13. a) Explain the basic assumptions of technical analysis.

(OR)

b) Describe Elliott Wave Theory.

14. a) List the objectives of portfolio management.

(OR)

b) Assess the importance of diversification.

15. a) Explain the concept of risk and return in Markowitz Model.

(OR)

b) Describe the Sharpe Single Index Model.

SECTION – C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (Or) K5)

16. a) Analyze the nature and scope of investment in the modern financial system.

(OR)

b) Justify the importance of a systematic investment process.

17. a) Compare economic analysis, industry analysis, and company analysis.

(OR)

b) Investigate the use of financial statements in company analysis.

18. a) Examine the principles of Dow Theory.

(OR)

b) Criticize the limitations of chart analysis in investment decisions.

19. a) Evaluate the need for portfolio management in modern investing.

(OR)

b) Investigate the factors influencing portfolio selection.

20. a) Compare Markowitz Model and Sharpe Single Index Model.

(OR)

b) Examine the role of CAPM in investment decisions.

ETHICAL PAPER

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