

MAY 2013

P/ID 6026/MEJ

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Time : Three hours

Maximum : 80 marks

PART A — (8 × 5 = 40 marks)

Answer any EIGHT questions.

All questions carry equal marks.

1. Explain the concepts of investment.
2. Distinguish between new issue market and stock exchange.
3. Explain the advantages of NSE.
4. What are the sources from which security price quotations can be collected?
5. In what way can the relationship of risk and return be established?
6. What factors affect the value of a particular company share's?
7. Why should the investors adopt formula plan?
8. Explain the portfolio management process.
9. Distinguish between investment, speculation and gambling.

10. What are some common mistakes mutual fund investors make?
11. Explain the concept yield-to-maturity (YTM).
12. In what ways is a stock exchange indispensable for an economy?

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

13. Should an investor play a winner's game or a loser's game while buying securities? Discuss with suitable examples.
14. Outline the drawbacks and defects in the working of stock exchanges in India. How far and in what ways has the securities contracts (regulation) Act, 1956 removed them?
15. Critically examine the recent trends in primary market in India.
16. Discuss the various methods of measuring risk.
17. Explain the methods of diversification of portfolio.
18. Can on investors ignore safety of principal? Why is knowledge of tax-status important for the investor?