

**SANT GADGE BABA AMRAVATI UNIVESRITY, AMRAVATI**

**H.V.P.M's**

**COLLEGE OF ENGINEERING & TECHNOLOGY, AMRAVATI**

**Masters of Business Administration (Bi – Annual Pattern)**

**Semester – III Examination of summer 2020**

**INVETSMET SCIENCE**

**Max time:- 1 Hour**

**Max. Marks:- 20 Marks**

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**N. B.**

**1) Figures to the right indicate marks**

**2) Each question carries 10 marks.**

**3) Need to solve any TWO sections.**

**Q – 1)**

**1.1**

- |   |            |
|---|------------|
| <b>1. Investments are the _____</b>   | <b>1 M</b> |
| <b>a) net additions made to the nation's capital stocks</b>                                 |            |
| <b>b) person's commitment to buying a flat or a house</b>                                   |            |
| <b>c) employment of funds on assets to earn returns</b>                                     |            |
| <b>d) employment of funds on goods and services that are used in the production process</b> |            |
| <b>2. Speculator is a person</b>  | <b>1 M</b> |
| <b>a) who evaluates the performance of the company</b>                                      |            |
| <b>b) who uses his own funds only</b>   |            |
| <b>c) who is willing to take high risk for high return</b>                                  |            |
| <b>d) who considers heresays and market behaviours</b>                                      |            |

**1.2)What do you mean by money market? 2 M**

**1.3)What does the term interest implies? 2 M**

**1.4) State the various types of bonds? 2 M**

**1.5) Define Preference Shares. 2 M**

**Q – 2)**

**2.1) Define the concept of Investment. 2 M**

**2.2)**

**1) Capital Index bonds are linked with 1 M**

- a) BSE-Sensex**
- b) NSE-Nifty**
- c) consumer price index**
- d) BSE-100**

**2) A highly liquid security is a 1 M**

- a) mutual fund unit**
- b) treasury bill**
- c) share**
- d) commercial paper**

**2.3) Give any two point of difference between NPV & IRR. 2 M**

**2.4) Define the concept of Debenture. 2 M**

**2.5) State the various dividend valuation model. 2 M**

**Q – 3)**

**3.1) Is the investment different from speculation? Explain. 2 M**

**3.2) Define new issue market. How is it related to the secondary market? 2 M**

**3.3)**

**1) Risk lover's utility curves have 1 M**

- a) positive slope**
- b) negative slope**
- c) convex to the origin**
- d) negative slope and convex to the origin**

**2) Diversification reduces 1M**

- a) interest rate risk**
- b) market risk**
- c) unique risk**
- d) inflation risk**

**3.4) Explain the concept of yield to maturity? 2 M**

**3.5) Explain the concept of investment in valuation of shares? 2 M**

**Q – 4)**

**4.1) State the economics and financial meaning of investment? 2 M**

**4.2) Define the concept of Sensex. 2 M**

- 4.3) Explain the various steps involved in evolution of investment opportunity. **2 M**
- 4.4) Explain the concept of valuation of investment in debt securities. **2 M**
- 4.5) Give any two point of difference between Equity and preference shares. **2 M**

HVPN MBA