Enrollment No:	Exam Seat No:
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C. U. SHAH UNIVERSITY

Winter Examination-2021

Subject Name: Fundamentals of Investment - I

Subject Code: 4CO05FOI1 Branch: B.Com (English)

Semester: 5 Date: 21/12/2021 Time: 11:00 To 02:00 Marks: 70

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

Q-1		Attempt the following question	ons:			(14)	
	a)	If interest rates rise, the price o	f preferr	ed stock		1	
		(A) is not affected (B) ris	ses	(C) falls	(D) may rise or		
		fall				1	
	b)	b) The use of financial leverage by a firm may be measured by the					
		(A) ratio of debt to total assets					
		(B) firm's beta coefficient					
		(C) firm's retention of earnings					
		(D) ratio of the price of the firm					
	c)	Which of the following is an ex	-	-		1	
			C) Acco	unts receivab	ole (D)		
		Equipment					
	d)	What is a call?				1	
		(A) An option to sell stock at a	-	-			
		(B) An option to buy stock at a specified price (C) An option to sell stock on a specified date					
		(D) An option to buy stock on a specified date Market where issuers sell new shares is called market.					
	e)					1	
		(A) Secondary (B) Primar	y	(C) Stock	(D) None of		
	f)	these Inflation will				1	
	1)	(A) escalate the cost	(D) :	raduaa tha ny	robosina novvor	1	
		(C) reduce the saving		all of these	rchasing power		
	g)	Real estate investment means	(D)	an or mese		1	
	g)	(A) Investment in houses		(B) Investm	ent in flats	1	
		(C) Investment in bungalows		(D) all of the			
	h)	Stock exchange is		(D) an or u	iese	1	
	11)	(A) Primary market		(B) Second	lary market	1	
		(C) Money market		(D) None o	-		
	i)	Financial assets include		(2) 1 (0110 0	1 41000	1	
	-,	(A) Bank deposits				_	



		(B) Investment in debentures/bonds							
		(C) Investment in equity shares							
		(D) all of these							
	j) Speculator is a person								
	•	(A) Who evaluates the performance of the company (B) Who uses his own funds only							
		(C) Who is willing to take moderate risk only							
		(D) Who considers hearsays, rumors and market behavior							
	k)	means a number of securities/assets put together.	1						
	,	(A) Investment (B) portfolio (C) savings (D) none of							
		these							
	1)	Zero coupon bonds mean	1						
	•	(A) Fixed rate of interest (B) Zero rate of interest							
		(C) Higher rate of interest (D) None of these							
	m)	Callable bonds mean	1						
		(A) Subscriber has the right to demand money before the time							
		(B) Issue has the right to redeem before the time							
		(C) Investor can request for redemption any time							
		(D) None of these							
	n)	Risk that a borrower may not pay interest/principal timely is	1						
		(A) Call risk (B) Liquidity risk (C) Default risk (D)							
		None of these							
Atten	npt any	four questions from Q-2 to Q-8							
Q-2		Attempt all questions	(1						
		Discus the difference between Investment, Speculation and Gambling.	1						
Q-3		Attempt all questions							
		Discuss the different types of Technical Charts.							
Q-4		Attempt all questions	(1						
	(A)	Explain securities market participants.							
	(B)	Describe the features of bonds.							
Q-5		Attempt all questions	(1						
	(A)	Explain stage of Economic Analysis in Fundamental Analysis.							
	(B)	Give the characteristics of an Industry.	7						
Q-6		Attempt all questions	(1						
	(A)	Give the types of bond.	7						
	(B) Describe the Bond Valuation Method.								
Q-7		Attempt all questions	(1						
	(A)	Discuss the characteristics of stock market.							
	(B)	Differentiate between primary market and secondary market.							
Q-8		Attempt all questions							
	(A)	Explain what investment is and discuss the classification of Investors.	7						
	(B)	Explain factors affecting investment decisions.	7						

