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Bengaluru

Mid Term Examinations - October 2026

Date: 05/10/2026 **Time:** 02:00 PM - 03:30 PM

Course Code: BBL2002 **Course Name:** Investment Management

Semester: fifth Semester **Max. Marks:** 50 **Weightage:** 50%

CO - Levels	CO1	CO2
Marks	44	46

PART A: Answer Following Questions. 10 M

Q.N.	Questions	M	CO	BT
1	What is a mutual fund? State one advantage it offers a new investor.	2	CO2	BT1
2	Outline two features of Preference Shares that make them a "hybrid" instrument.	2	CO1	BT2
3	What is a Zero Coupon Bond? Give an example.	2	CO2	BT1
4	• What is meant by the "Marketability" of an investment?	2	CO1	BT1
5	List the diifferences between a Forward contract and a Futures contract (any two points).	2	CO2	BT1

PART B : Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
6	Explain the key criteria an investor should use to evaluate a good investment.	10	CO1	BT2
7	Explain how the rate of return on an investment is calculated, with a worked example. Distinguish between current yield and capital gains yield.	10	CO1	BT2

PART C: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
8	Summarise any four common errors investors make while investing.	10	CO1	BT2
9	Explain the steps involved in the portfolio management (investment) process.	10	CO1	BT2

PART D: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
10	Explain the various Government-backed and corporate fixed income instruments available to an Indian investor.	10	CO2	BT3
11	Explain the RBI Retail Direct Scheme and Sovereign Gold Bonds as investment options for individual investors.	10	CO2	BT3

PART E: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT

12	(a) Explain the classification of mutual fund schemes on the basis of (i) functional structure, and (ii) portfolio composition. [5 Marks] (b) A mutual fund scheme holds equity shares worth ₹8,00,000 and debt instruments worth ₹5,00,000, along with cash of ₹50,000. It has liabilities (expenses payable) of ₹20,000, and 1,00,000 units are outstanding. Calculate the NAV per unit. [5 Marks]	10	CO2	BT3
13	(a) A foreign company wants to raise funds in India by issuing Indian Depository Receipts (IDRs). Its shares trade on NASDAQ at $60. The exchange rate is ₹84 per USD, and each IDR represents 4 underlying shares. Calculate the fair issue price of the IDR in India. [4 Marks] (b) A bond has a face value of ₹1,000, a coupon rate of 9% payable annually, and 3 years left to maturity. The investor's required rate of return (YTM) is 12%. Calculate the fair price of the bond. (Work out the discount factors yourself.) [6 Marks]	10	CO2	BT3