INVESTMENT MANAGEMENT

SUBCODE : P16MC41.

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UNIT-I

1. What is investment?

Investment is an activity that is engaged in by people who have savings. But all Sever are not investor. Investment is different from Saving. It means may things to may person.

2. Define the term investment?

According to F. Amling the term investment the purchase by an individual or institutional twestor of a financial or real assets that products a return proportion to the risk or assumed over some future investment period.

3. What is investment media?

Many types of investment media (or) channels are availble for making investment.

Investment media the of Several kinds

* Investment media the of Several kinds
* Direct investment alternative.
* Indirect investment alternative.

* Variable principal Securities.
* non - Security investment.

4. Mention any two forms of investment media?

Direct investment alternatives:-

Direct investment are there were the individual makes his own choice and investment decision

Cash Goverment Boards.

Saving account Debenture.

Indirect investment alternatives:-

Indirect investment are those in which the individual has not direct hold the amount the invest.

Individual have to control over those investment.

5. Give any four objectives of investment?

Depending on the like stage and risk appetite of the investor. there are three main objectives of investment.

⇒ Safety growth and Income.

⇒ Every investor invests with a specific objectives in mind and each investment has its own unique set benefits and risks.

⇒ Let us understand these objectives in details.

UNIT: II

6. What do you meant by primary market?

The primary market is where securities are created. Its in this market that firms sell (float) new stare and boards to the public for the first time intital public offering or IPO, is an example of a primary market.

7. What is online Trading?

The act of buying and selling international currencies, future, stock bands and after financial udensils through the internet online trading generally requires an online trading platform affered by most online brokers for order completing.

8. What you mean by stock enchange?

The terms stock exchange refers to a market place for purchase and sale of industrial and financial Securities, the word exchanged Faction of the capital of a company and the word "exchange" mean a place for purchase and selling something.

9. What is the primary market for securities?

The Primary market is the part of the capital market that deals with the issuance and Sale of equity backed Securities to investors directly by the issue primary market corporate entities raise funds from the capital market. It is also known as the New Issue market (NIM).

10 classify the brokers in a stock exchange?

Types of members a broker at stock exchange member or brokers of a stock exchange can be classified into floor brokers, commission brokers, Jobbers, add let dealers badiwalas arbitrageurs and Sub-brokers or Remissvars.

UNIT - III

11. What do you meant by Security analysis?

Security analysis develops and present the Informatant factor regarding the issues of corforode stock or bonds in such a manners that will be most informative and useful to the investor. Such analysis is made based on the applicable relate to the intrinsic value and risk characteristic of the Security.

12. What are the two approaches of Security analysis?

I. fundamental analysis:-

Fundamental analysis is really a logical and Systematic approach for estimating the future dividends and Share Price.

II Technical Analysis:-

Technical analysis as a contract to fundamental analysis, does not lay emphasis of intrinsics worth of a Share.

13. What is random walk theory?

According to this theory, a change in the price of stock occurs only due to certain changes in the economy industry or company, Information regarding changes in an any of these factors change the stock process immediatly and the stock move to new level which may be either upwards or downwards.

14. Write a short note on efficient market theory?

Effectient market theory states that the capital market is offered. In an efficient market, stock prices fully reflect as avaible information new Information is evaluated as and when it arries and prices are intentaneously adjusted to a new level - Hence in an efficient capital market, Security price always equal their intensicvalues.

15. Define risk? What are the different types of risk:-

They are many defitions of risk that very by specific application and situational.

content Risk of described the quatatively and Quatatively.

- Market risk.
- credit risk.
- Liquidity risk.
- operational risk.

UNIT-IV

16. What is port folio analysis?

An investor considering investment in Securites faces the problem of charity from among a large number of Securities. He Selects the security depending upon the risk-return characteristic of individual Securities.

17. Define diversification?

The process of combihling Securities in a portfolio or known as diversification. It is the technique of reduction the risk involved in investment and in portfolio management without sacrificing the portfolio return.

18. What do you understand by diversification

of portfolio?

A Single company / industry or more risky that two companies / industries. Two companies in a particular industry (Say, still industry / are more risky than one company in steal, and one in Types and tubes Hence, proper diversification is one, which involves two or more companies / two are more industries whose Fort fluctuate in different directions.

19. What is CAPM?

The capital assets primary market (CAPM) describes the relationship between Systmatic risky and expected return for assets. particularly stock CAPM is widely Securities and generating expected return for assets given the risk of those assets and costs of capital.

20. What you mean by Shape index market?

According to shape it is important To Simplify the index formula by taking away form the formula the converiance of Securities with other Securities and instead to give the information of each Security and find its relationship with the marker According to sharpe index the formula

4 $R_I = a + \beta_I + e$,

UNIT-V

21. What is mutual fund:-

The mutual fund is a corporation, which receive funds from investor and defloy the same in equation, long terms bonds and money market etc. They have in their poor professional investment analysis who try to the return on behalf of investor keeping in mind the likely risk involved in the whole encessice.

22. Define mutual fund?

Investment in Securities are spread over a wide cross Section or industries and Sectors reducing the risk of the portfolio mutal fund are mobilizes of saving of the small investors in investment like stock and money market instument.

23. Given any four investment companies in india?

mutal fund were conceived an institutions for providing small investors with avenves of investment in the capital market small investors generally do note have adequate time experience and resorces for directly the capital market.

24. What is the objectives of UTI?

The UTI offers a variety of investment schemes (Funds) to the investment public new it has six open - investment schemes unit schems 1964, unit scheme 1971 until scheme for charitable and Religious Trusts and Registed Soities 1981.

25. Name the mutal funds operated in the public Sectors?

Public Sector consists of goverment and publicity controlled or pubicity controlled or pubicity funded agencies, enterprise and other entities the deliver public programs goods, or Services.