

**MASTER OF BUSINESS ADMINISTRATION
(MBACT)**

00844

**Term-End Examination
December, 2014**

MCTE-035 : INVESTMENT ANALYSIS

Time : 3 hours

Maximum Marks : 100

Note : Answer any *five* questions. All questions carry equal marks.

1. What do you understand by investments ? Explain the various factors which form the basis of investment process. 20
2. What do you understand by 'Creative accounting' ? Discuss the various ways in which the financial statements of a firm can be manipulated. 20
3. What do you understand by consolidated financial statements ? Explain the consolidation procedure for consolidation of Balance Sheet and Profit and Loss account. 20
4. Discuss the significance of market strength ratios and explain how they are computed. What similarities and differences exist in the objectives of investors and creditors in using financial statement analysis ? 20

5. Define risk and distinguish between systematic and unsystematic risk. How are multiple year holding stock prices estimated with two stage and three stage models ? 20
 6. What is market efficiency ? Explain the various anomalies in efficient market hypothesis. 20
 7. Distinguish between Treynor and Sharpe indices of portfolio performance. State the reasons for the Treynor and Sharpe indices giving conflicting performance ranking. 20
 8. Explain the unique features of real estate investments. Explain the various techniques used for valuation of real estate. 20
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