

**MASTER OF BUSINESS ADMINISTRATION
(MBACT)**

00018

Term-End Examination

December, 2011

MCTE-035 : INVESTMENT ANALYSIS

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions. All questions carry equal marks.

1. State the points of similarity and difference between 'Investment-decisions' and 'finance-decisions'. Can they go hand-in-hand ? 20

2. Explain the meaning of the term 'New Issue Market'. How does it differ from the 'Secondary Market'? Are they connected to each other ? 20

3. Despite the fact that investors are ultimately concerned with earnings and dividends, why do security analysts place so much emphasis on the sales of the firm and growth prospects for the industry ? 20

4. Since a rights offering allows equity shareholders to purchase equity shares at a price below the current market price, why is it not of value to the equity shareholders ? 20
5. What does the efficient market hypothesis imply with respect to (a) technical market analysis, (b) fundamental analysis, and (c) portfolio policy of investors ? 20
6. Briefly describe the approaches commonly used by real estate appraisers to estimate the market value of investment properties. 20
7. Differentiate between systematic and unsystematic risk. What are the strengths and weaknesses of Markowitz Model ? 20
8. What is meant by yield-to-maturity (YTM) ? Distinguish between current yield, yield to maturity and coupon-rate. Discuss the concept involved. 20
9. What is meant by the term arbitrage profit ? Critically examine the advantages and disadvantages of the Arbitrage Pricing Theory over the Capital Asset Pricing Model. 20