Program:	F.Y.B.Com (FM) - CFP	**Semester:** I	**Program Code:** UGMS02
Course:	Investment Planning - I		**Course Code:** NUFM102
Duration:	1 Hour	**Examination Pattern:** NEP - Autonomous	**Max. Marks:** 30

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1		Answer all the following questions.				[10]	CO's	KL's
	(A)	Choose the correct answer from the alternatives given.				[05]		
		I	Which of the following is an example of an equity investment?				CO1	KL1
			a.	Government bond	b. Equity share		CO2	KL2
			c.	Fixed deposit	d. Fixed deposit		CO4	
		II	What is the main purpose of investing rather than simply keeping money as savings?					
			a.	To avoid earning any return.	b. To potentially grow wealth over time.			
			c.	To eliminate all financial risk.	d. To keep money unused.			
		III	An investor chooses an investment only because many of their friends are buying it. Which behavioral bias does this best represent?					
			a.	Herding	b. Overconfidence			
			c.	Anchoring	d. Recency Bias			
		IV	Which asset class represents ownership in a physical property such as a house or commercial building?					
			a.	Equity	b. Real Estate			
			c.	Fixed Income	d. Commodity			
		V	Why is risk profiling important before making an investment?					
			a.	It guarantees investment returns.	b. It helps match investments with the investor's risk capacity and willingness.			
			c.	It removes all investment risk.	d. It ensures that the investor will never make a loss.			

	(B)	**State whether the following statements are true or false.**		[05]	CO's	KL's
		I	NAV stands for Net Asset Value and represents the value of a mutual fund unit.		CO2	KL1
		II	A SIP requires an investor to invest a fixed amount at regular intervals.		CO3	KL2
		III	A regular mutual fund plan generally involves a distributor or intermediary.			
		IV	The fund prospectus or offer document does not provide information about the risks and expenses of a mutual fund scheme.			
		V	An ETN is a debt instrument whose return is linked to the performance of an underlying index or asset.			
Q. 2		**Attempt any TWO of the following.**		[10]	CO's	KL's
	(a)	How would you diversify ₹10 lakh across different asset classes to reduce investment risk?			CO1	KL3
	(b)	Why may the same investment not be suitable for a high-risk investor and a low-risk investor?			CO4	KL4
	(c)	Create a suitable investment strategy using Mutual Funds for a 35-year-old investor with moderate risk and a 10-year investment horizon.			CO2	KL6
	(d)	Compare a mutual fund, ETF and ETN on the basis of their major features.			CO3	KL4
Q. 3		**Attempt any TWO of the following.**		[10]	CO's	KL's
	(a)	An investor wants regular income from a mutual fund investment. Would you consider SIP or SWP? Explain your choice			CO2	KL5
	(b)	An investor has money in a savings account. How would you decide whether the money should remain as savings or be invested?			CO1	KL3
	(c)	An investor wants to buy and sell a fund through a stock exchange. Which investment product would you consider and why?			CO1	KL3
	(d)	Compare investing in individual securities with investing through pooled funds. Which may provide greater diversification?			CO2	KL4

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