

P P SAVANI UNIVERSITY

Fourth Semester of B.COM Examination

May 2022

SMBC2183 Wealth Management - 4

09.05.2022, Monday

Time: 9:00 a.m. To 11:30 a.m.

Maximum Marks: 60

Instructions:

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same answer sheets.
3. Make suitable assumptions and draw neat figures wherever required.
4. Use of scientific calculator is not allowed.

SECTION – I

Q - 1 MCQs and True or False: (Any Five) [05]

- (i) Investors have the right to specify up to nominees for their mutual fund investment folios.
- a. Zero
 - b. One
 - c. Two
 - d. Three
- (ii) Which amongst the following asset categories can also be purchased for consumption purposes apart from an investment?
- a. Real estate
 - b. Stocks
 - c. Bonds
 - d. Debentures
- (iii) Which of the following regulates mutual funds in India?
- a. Securities and Exchange Board of India
 - b. Association of Mutual Funds in India
 - c. Asset Management Companies
 - d. Board of Trustees of mutual funds
- (iv) The transparency levels in mutual funds are very low. State whether True or False.
- a. True
 - b. False
- (v) The purchasing power of currency changes on account of which of the following?
- a. Asset allocation
 - b. Compound interest
 - c. Inflation
 - d. Diversification
- (vi) Mutual funds can buy and sell securities only on delivery basis. State whether this statement is True or False.
- a. True
 - b. False

Q - 2 Define Mutual funds. Explain its benefits and limitation in details. [10]

OR

Q - 2 What are the factors which important to evaluate investment? [10]

Q - 3 (a) Types of assets for investment. [05]

Q - 3 (b) Short term needs v/s long term needs. [05]

OR

Q - 3 What is investment risk? Explain different types of investment risks. [10]

- Q - 4 Short Note: (Attempt any one)** [05]
(i) Financial Goals.
(ii) New types of funds in India.

SECTION - II

- Q - 1 MCQs and True or False: (Any Five)** [05]
(i) When the interest rate in the economy increases, the price of existing bonds.
a. Increases
b. Fluctuate
c. Decreases
d. None of the above
(ii) Each mutual fund scheme must have a stated investment objective. State whether True or False.
a. True
b. False
(iii) Registrar and Transfer Agency function must be independent of the Asset Management Company, and it cannot be retained in-house. State whether this statement is True or False.
a. True
b. False
(iv) Who handles the day-to-day management of the mutual fund?
a. Asset Management Company
b. Registrar and Transfer Agency
c. Mutual Fund Trustees
d. Unitholders
(v) With which agency are the mutual fund distributors registered?
a. Securities and Exchange Board of India
b. Fund Accounting Team
c. Depositories
d. Association of Mutual Funds in India
(vi) What minimum percentage of the mutual fund scheme corpus must be invested in equity and related instruments in the case of Equity Linked Savings Schemes (ELSS)?
a. 65 percent
b. 70 percent
c. 80 percent
d. 100 percent

- Q - 2 (a)** Difference between saving and investment. [05]
Q - 2 (b) How to regulate mutual funds. [05]

OR

- Q - 2** What is assets management company (AMC)? Explain organization structure of assets management company. [10]
Q - 3 How to measures the risks. And explain the risk management strategies. [10]

OR

- Q - 3** SEBI stand for _____. Explain the roles of SEBI in details. [10]
Q - 4 Attempt any one. [05]
(i) Exchange traded funds.
(ii) Explain any 5 important concepts in mutual funds.
