



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **FIN2143 INVESTMENT MANAGEMENT**
Semester & Year : SEPTEMBER – DECEMBER 2020
Lecturer/Examiner : MR.RAVINDRAN RAMAN
Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
PART A (25 marks) : Answer all THREE (3) short answer questions. Answers are to be written in the Answer Booklet provided.
PART B (75 marks) : Answer all THREE (3) structure answer questions. Answer are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorised materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 3 (Including the cover page)

PART A : SHORT ANSWER QUESTIONS (25 MARKS)

INSTRUCTION (S) : Answer all **THREE (3)** questions. Write your answers in the answer booklet(s) provided.

Question 1

Explain the following terms in the perspective of investment management:

(a) Time value of money (3 marks)

(b) Investment (3 marks)

(c) Return (3 marks)

(Total 9 marks)

Question 2

Discuss **TWO (2)** basic investment decision processes.

(8 marks)

Question 3

Explain **FOUR (4)** types of assets classes which are available in the financial market.

(8 marks)

END OF PART A

PART B : STRUCTURED ANSWER QUESTIONS (75 MARKS)

INSTRUCTION (S) : Answer ALL **THREE (3)** questions. Write your answers in the answer booklet(s) provided.

Question 1

(a) Each individual or firm will need to ensure that their investment provides a good return therefore having a good type of portfolio management is vital to support this investment. Discuss **FOUR (4)** types of portfolio management.

(20 marks)

(b) Explain the primary function of a portfolio manager in handling the investments activities.

(5 marks)

(Total 25 marks)

Question 2

(a) Explain what an Efficient Market Hypothesis (EMH) is.

(10 marks)

(b) Discuss the **THREE (3)** main variants of Efficient Market Hypothesis.

(15 marks)

(Total 25 marks)

Question 3

(a) Distinguish the differences between a forward contract and a future contract in the derivatives market.

(20 marks)

(b) Briefly explain **TWO (2)** limitations of derivatives market for investors.

(5 marks)

(Total 25 marks)

END OF QUESTION PAPER