



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 : May - August 2022
Lecturer/Examiner : Associate Professor Dr. Akram Al-Khaled
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) structured questions. Answers 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.

PART A : SHORT ANSWER QUESTIONS (25 MARKS)

INSTRUCTION (S) : Answer **ALL THREE (3)** questions. Answers are to be written in the Answer Booklet (s) provided.

Question 1

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

(8 marks)

Question 3

A unit trust is an open-ended investment, where an unlimited number of investors can invest their money into a single fund, that's managed by a dedicated fund manager. Describe **FOUR (4)** advantages of investing in unit trust.

(8 marks)

End of Part A

PART B : STRUCTURED QUESTIONS (75 MARKS)

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

Question 1

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.

- a) Discuss the **THREE (3)** types of portfolio management. (9 marks)
- b) Describe the primary function of a portfolio manager in handling the investments' activities. (10 marks)
- c) Identify **THREE (3)** objectives of portfolio management. (6 marks)

(Total: 25 marks)

Question 2

- a) The Efficient Market Hypothesis is an idea that was promulgated by the work of to study the market situation in regards to the different forms and types of efficiency. Explain **THREE (3)** types of efficient market hypothesis. (9 marks)
- b) Examine **FOUR (4)** implications of the efficient market hypothesis (EMH) for financial decision makers. (16 marks)

(Total: 25 marks)

Question 3

- a) Analyze **THEEE (3)** most crucial determinants of the value of a bond during investments. (9 marks)
- b) Derivatives are financial instruments used for trading in the market whose value is dependent upon one or more underlying assets. Discuss **FOUR (4)** advantages and **FOUR (4)** disadvantages of derivatives. (16 marks)

(Total: 25 marks)

END OF EXAMINATION PAPER