



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 2021
 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) structured answer 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.

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

PART A : SHORT ANSWER QUESTIONS (25 MARKS)

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

Question 1

Explain the following term:

(a) Swap contract (3 marks)

(b) Unit trust investment (3 marks)

(c) Mutual funds (3 marks)

(Total 9 marks)

Question 2

Explain **TWO (2)** characteristics of a bond.

(Total 8 marks)

Question 3

Explain **TWO (2)** key purposes of derivatives in the perspective of investment management.

(Total 8 marks)
(Total 25 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) An investor has sum of money derived from his saving hence he is interested to invest into a mutual fund. Elaborate the characteristics of mutual fund.

(10 marks)

(b) Distinguish the relationship between inflation and interest rate in an investment management.

(15 marks)

(Total 25 marks)

Question 2

Investment management activities played a major role in today's financial market. Based on the importance discuss **FIVE (5)** key factors that drive and influence an individual or a firm to participate into a potential investment decision.

(25 marks)

(Total 25 marks)

Question 3

(a) Explain the risk and return principles in an investment management.

(10 marks)

(b) Stocks and bonds are investment instrument in the financial market. Explain **FIVE (5)** the differences between a bond and a stock.

(15 marks)

(Total 25 marks)

END OF QUESTION PAPER