BERJAYA
UNIVERSITY COLLEGE

FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

Student ID (in Words) :

Course Code & Name : **FIN2143 INVESTMENT MANAGEMENT**
Semester & Year : September – December 2022
Lecturer/Examiner : Mr Muhammad Firdaus
Duration : 3 Hours

INSTRUCTONS TO CANDIDATES

1. **This question paper consists of 2 parts:**
    PART A (50 marks) : TWO (2) essay question. Answer ALL questions. Answers are to be written in the Answer Booklet provided.

    PART B (50 marks) : TWO (2) structured questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.

2. **Candidates are not allowed to bring any unauthorized 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, except for 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 = 4 (Including the cover page)

PART A : TWO (2) ESSAY QUESTION (50 MARKS)

INSTRUCTION(S) : Answer ALL questions. Write your answers in the Answer Booklet(s) provided.

QUESTION 1

(a) Briefly explain any **TWO (2)** categories of **systematic risks** and **unsystematic risks**

(8 marks)

(b) Briefly explain the significance of time value of money concept.

(8 marks)

(c) Explain the organizational form of **sole proprietorship, partnership, and corporation** with examples.

(9 marks)

[Total: 25 marks]

QUESTION 2

(a) Briefly explain the bodies in Malaysia's Financial Framework.

(8 marks)

(b) Explain **FOUR (4)** types of Shariah Contract in Malaysia.

(8 marks)

(c) Explain **THREE (3)** types of Bonds.

(9 marks)

[Total: 25 marks]

PART B : **TWO (2) STRUCTURED QUESTIONS (50 MARKS)**

INSTRUCTION(S) : Answer ALL questions. Write your answers in the Answer Booklet(s) provided.

QUESTION 1

a) Noah has just bought a new Full Spec CX-5 that costs RM 89,000. She took a 9-year loan from CIMB Bank that requires her to pay 10% of the cost, as down payment. Determine amount of Noah's annual payment if the CIMB Bank interest is 4% per annum.

(4 marks)

b) Calculate how much will RM 2,000 deposited in a current account earning a compound annual interest rate of 6% be worth at the end of 4 years?

(4 marks)

c) Differentiate between

▪ Non-Current Assets and Current Assets

(4 marks)

▪ Non-Current Liabilities and Current Liabilities

(4 marks)

d) Kaido Sdn. Bhd is evaluating an investment with different probabilities. Based on the following information, calculate the expected return if the Treasury Bills carries a return of 5.5%

Portfolio	Probability	Market Return
1	0.17	7%
2	0.33	8%
3	0.43	11%
4	0.18	15%
5	0.22	12%

(9 marks)

[Total: 25 marks]

QUESTION 2

a) Differentiate between Investment Decisions and Financing Decisions.

(5 marks)

b) Avengers Corp. is considering an investment in one of the two common shares. Given the information that follows, which investment is better, based on risk and return?

COMMON SHARES DO		COMMON SHARES RE	
Probability	Return	Probability	Return
0.30	12%	0.20	-6%
0.40	16%	0.30	7%
0.30	20%	0.30	15%
0	0	0.20	23%

(10 marks)

c) Briefly explain characteristics common shares and preferred shares

(10 marks)

[Total: 25 marks]

-END OF QUESTION PAPER-