

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TYBBA(FS), Semester- V Semester End Assessment NOVEMBER 2023
BFS DSEC 3: Mutual Fund Management

Duration: 2 hours

Maximum Marks: 60

Instructions:

- 1) Start each question on a fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q1 is compulsory
- 4) Answer any FOUR from Q2 to Q7

Q.1) Answer the following (Answer any 5)

(5*4 marks)

1. Portfolio management is of paramount importance for both individual and institutional investors for several compelling reasons. What are the objectives of portfolio management?
2. Write a short note on what is a Systematic Investment Plan.
3. The Securities and Exchange Board of India (SEBI) is the primary regulatory authority responsible for ensuring that mutual funds operate in a transparent, fair, and investor-friendly manner. Highlight the Investor Protection Measures by SEBI.
4. Debt funds are designed to provide investors with regular income while aiming to preserve capital and offer relative stability. Explain the types of Debt Funds available in the market today.
5. Write a short note on Net Asset Value
6. Liquid funds are a type of debt mutual fund that primarily invests in very short-term debt instruments, such as Treasury bills, certificates of deposit, commercial paper, and other money market instruments. Explain the features of Liquid Funds.

Q.2) A mutual fund is a pool of money managed by a professional Fund Manager. It is a trust that collects money from a number of investors who share a common investment objective and invests the same in equities, bonds, money market instruments and other securities. Illustrate how mutual funds can be classified into various types based on risk and investment goal.

(10 marks)

Q.3) Jane is a 30-year-old investor who has recently received a bonus from her job and is looking to invest a portion of it for long-term financial growth. But, she has no clear idea of how to evaluate the performance of the mutual funds in the market today. Which aspects should Jane keep in mind when evaluating a mutual fund's performance?

(10 marks)

Q4) Equity funds are a type of mutual fund that primarily invests in stocks or equities. These funds pool money from multiple investors and use it to buy shares of various companies. Equity funds offer investors an opportunity to own a diversified portfolio of stocks without directly purchasing individual stocks. Classify equity funds based on

- I. Market Capitalization
- II. Investment strategy
- III. Tax treatment

(10 Marks)

Q5) You and your friend Tania, are discussing mutual fund investments over a coffee. You mention the role of AMFI in regulating mutual funds, and Tania is intrigued to learn more. Provide a clear explanation to help Maya understand the role played by AMFI and its objective in the mutual fund industry.

(10 Marks)

Q6) Benson who is an investor, is eager to understand Gold Exchange Traded Funds (ETFs) better. Elucidate the fundamental concept of Gold ETFs and provide a detailed explanation of how they work to Benson, so that he is comfortable in considering ETFs as an investment option.

(10 Marks)

Q7) Statistical measures are the main indicators used to assess the performance of equity, fixed-income, and other mutual fund investments by comparing them to market benchmarks. They are risk measurement instruments that can help investors determine the risk-reward parameters of their investments. Explain what are these statistical parameter tools.

(10 Marks)
