

**M.Com 3rd Semester Examination, 2023**

**MUTUAL FUND AND STOCK MARKET**

PAPER — COM-304

*Full Marks : 50*

*Time : 2 hours*

*The figures in the right hand margin indicate marks*

*Candidates are required to give their answers in their own words as far as practicable*

**COM-304.1**

1. Answer any two of the following questions : 5 × 2
- (a) Distinguish between open-ended mutual fund and close-ended mutual fund.
- (b) What is NAV? Calculate Net Asset Value from the following information of a APZ mutual fund scheme:

(A) Asset Under Management :

(i) Holding in Equity Shares ₹ 200 cr.

(ii) Holding in Corporate Bond ₹ 40 cr.

(iii) Cash in hand and at Bank ₹ 5 cr.

(B) Management expenses: 1.5% p.a.

(C) Total number of units sold by mutual fund scheme: 12 cr. 1 + 4

(c) What is SIP in Mutual fund investment ?  
Mention two advantages and one disadvantage of such type of investment. 2 + 3

2. Answer any *one* of the following questions : 10 × 1

(a) (i) Mention the main advantage of mutual fund from the view point of investors.

(ii) Write a short note on Direct Investment in Mutual fund. 7+2+1

(b) (i) What are the criteria for measuring performance of a mutual fund? Find out the return and risk-adjusted return from the following two mutual fund schemes and offer your comment from the view point of investors:

Mutual Fund	NAV on 1.11.2022	NAV on 31.10.2023	Standard Deviation of NAV
Scheme A	₹ 44	₹ 54	30
Scheme B	₹ 125	₹ 160	50

- (ii) What would be the total return of the investor who would invest ₹ 2,00,000 in the more efficient scheme from the above two schemes, considering transaction cost is 0.25%. 2+6+2

### COM-304.2

3. Answer any **two** of the following questions : 5 × 2
- (a) How do you calculate holding period rate of return from an investment? Distinguish between ordinary investment and speculation. 2 + 3
- (b) What can be the motives behind investment in stock market to an investor? 5

(c) Write a short note on 'cash trading' relating it to rolling settlement. 5

4. Answer any *one* of the following questions : 10 × 1

(a) Discuss, in details, all possible components of risk of investment in stock market. 10

(b) In the backdrop of depository system prevailing in ownership and trading of equity shares, give its national structure in vogue in India and also describe the steps involved in the trading process of equity shares under the dematerialization mode. 10

[ Internal Assessment — 10 Marks ]