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SNS College of Technology, Coimbatore-35.

(Autonomous)

Internal Assessment - III

Academic Year 2023-2024 (Odd)

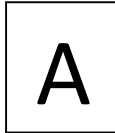
Third Semester

Department of Management Studies

19BAE707 – Investment Analysis and Portfolio Management

Time: 1 ½ Hours

Maximum Marks: 50



Answer all the questions		CO	Bloom	Marks
1.	Define Investment.	CO 1	R	2
2.	List out the Objectives of Investment.	CO 1	R	2
3.	Differentiate Risk and Return.	CO 1	U	2
4.	Outline the meaning of Primary Market.	CO 2	U	2
5.	Spell the powers of SEBI on Investors Protection.	CO 2	R	2
PART B (2 * 13 Marks = 26 Marks & 1*14 Marks = 14 Marks)				
6.	a. Explain the different characteristics and objectives of investment.	CO 1	U	13
	or			
	b. Briefly Explain the various investment alternatives available in the market.	CO 1	U	13
7.	a. Discuss the role of Primary Market.	CO 2	An	13
	(or)			
	b. Explain the Book Building Process in Detail.	CO 2	An	13
8	a. Case Study: Facebook, Inc. filed for an initial public offering on February 1, 2012. The company planned a \$5 billion IPO, the largest in Internet history and one of the largest in the history of the technology sector. Facebook valued its stock at \$38 a share, which priced the company at \$104 billion: the largest valuation to date for a newly public company. The company's shares began trading on May 18, 2012 and though the stock struggled to stay above the IPO price for most of the day, it set a new record for trading volume of an IPO with 460 million shares. The first day of trading was marred by numerous technical glitches that prevented orders from going through. These glitches and misleading information from underwriters prevented the stock price from falling below the IPO price on the first day of trading.	CO 1	An	14

	<p>However, the stock price quickly fell in subsequent days, closing at \$34.03 a share on May 21 and \$31.00 a share on the following day.</p> <p>Facebook's IPO is now under investigation and a class-action lawsuit is in the works due to the trading glitches that led to botched orders. Additional lawsuits have also been filed due to allegations that an underwriter 1 for Morgan Stanley selectively revealed earnings information to preferred clients. Other underwriters and Facebook's CEO and Board of Directors are facing similar litigation. It is believed that a Facebook financial officer cautioned the underwriters about revenue growth because of a shift of Facebook users to cell phones and mobile devices, where Facebook has less room to advertise and generate revenue. The underwriters then cautioned top clients about this shortly before the IPO, while leaving the general public ready to buy the overpriced shares. The litigation against Facebook alleges that it failed to fully disclose its weakened financial outlook before its IPO.</p> <p>By the end of May 2012, the stock had lost over a third of its initial value, dropping to \$25.50. The Wall Street Journal called the IPO "a fiasco." Fortunately, for Facebook investors, by mid-June 2012, the stock value had rebounded to \$32 a share.</p> <p>Analyse the reasons for changes in stock price.</p> <p style="text-align: center;">or</p>			
	b. Categorize the systematic and unsystematic risk with a neat sketch.	CO1	An	14

*Abbreviations: CO: Course Outcome, R: Remember, U: Understand, APP: Apply, An: Analyze, E: Evaluate, C: Create

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