



**FACULTY OF BUSINESS MANAGEMENT
END OF SEMESTER EXAMINATIONS - APRIL 2025**

PROGRAMME: MBA

YEAR/SEM: YEAR 2/SEMESTER 1

COURSE CODE: MBA 814

NAME: INVESTMENT ANALYSIS AND CAPITAL MARKET

DATE: 2025-04-22

TIME: 2:00-5:00PM

INSTRUCTIONS TO CANDIDATES:

1. Read the instructions very carefully
2. The time allowed for this examination is STRICTLY three hours
3. Read each question carefully before you attempt and allocate your time equally between all the Sections
4. Write clearly and legibly. Illegible handwriting cannot be marked
5. Number the questions you have attempted
6. Use of appropriate workplace examples to illustrate your answers will earn you bonus marks
7. Any examination malpractice detected will lead to automatic disqualification.

DO NOT WRITE ANYTHING ON THE QUESTION PAPER

Section A SECTION A IS COMPULSORY

Question 1:

CASE STUDY

Common Errors in Investment Management:

When investment mistakes happen, money is lost. Mistakes can occur for a variety of reasons, but they generally happen because of the clouding of the investor's judgment by the influence of emotions, not applying basic investment principles, or misconceptions about how securities react to varying economic, political, and fear-driven circumstances.

The investor should always keep a rational head and avoid these common investment mistakes:

Explain with Examples at least the Four (4) common Investment mistakes:

(40 Marks)

Section B ATTEMPT ANY THREE QUESTIONS FROM THIS SECTION

Question 1:

- 1) Define the word "investment". (5 Marks)
- 2) Give the difference between Treasury bills and Bonds. (5 Marks)
- 3) Discuss the first step in investing which is "meeting investment prerequisites". (10 Marks)

Question 2:

Explain the Information needs of the following Decision Makers, the Decision to be made and the tools to be used. Decision makers. Management, Owners of the company, Employees, Trade Creditors, Bankers, Prospective Investors and Government; (20 Marks)

Question 3:

Question 4:

Discuss the feature of fixed-income securities (10Marks)

What are the advantages of investment in real estate (5 Marks)

Why Investors prefer Short- Term Instruments? (5 Marks)

Question 5:

- a) Explain the Country/Political Risk/Event Risk: (5 Marks)
- b) Discuss two types of investment you know. (5 Marks)
- c) What is financial investment? (5 Marks)
- d) What is the concept of derivative securities. (5 Marks)

Question 6:

Mutual funds are also known as indirect investments. It is an alternative route of buying equity shares or fixed income securities through various schemes floated by mutual funds companies. Explain the three broad types of mutual fund schemes. (20 Marks)