

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
TY BBA(FS), Semester-V(Repeat) Semester End Examination, April 2023  
BFS DSEC 3: Mutual Fund Management

Duration: 2 hrs

Max Marks: 60

**Instructions:**

- 1) *Start each question on fresh page.*
- 2) *Figures to the right indicate maximum marks.*
- 3) *Q1 is Compulsory*
- 4) *Answer ANY FOUR from Q2 to Q6*

**Q1. Answer any FIVE questions:**

**(5x4=20 Marks)**

1. Describe Mutual Funds. How can you classify them based on the structure to buy and sell units
2. Explain any TWO statistical risk-return parameter tools with examples.
3. Equity Funds are exposed to market risks, the degree of risk varies from fund to fund and depends on the type of equity fund. Enumerate the term 'Equity funds'
4. Explain the following terms
  - i) Market Maker
  - ii) Creation Unit
5. Differentiate between Leveraged Fund and Index fund
6. Discuss Equity Linked Saving Schemes (ELSS)

**Q2.** Nixon spends six months of the year at sea while working on a passenger ship. Because of this, he is unable to regularly monitor the financial markets. As a result, he makes sure to buy jewelry for his wife when he gets home as a secure investment.

Nixon's family does not, however, reside in a particularly secure area; trespassing and burglaries are frequently reported there. He wants to invest in a Mutual Fund with high liquidity and underlying asset should be gold. Kindly advise Nixon for his Investment Decisions.

- a) Based on the above information what investment option is best suited for Nixon **(02 Marks)**
- b) Elaborate on the features and advantages of the options suggested by you over an equity mutual fund **(08 Marks)**

Q3.

a) Due to the current war crisis in Russia and the semiconductor chip shortage the IT and tech industry stocks have taken a big hit. What are the corrective measures that you will follow to curb losses in a mutual fund portfolio more heavily skewed towards these stocks. (05 Marks)

b) Investor protection involves various measures established to protect the interests of investors from malpractices. One of the safety measures for this is the Investor Protection Fund (IPF) Elaborate (05 Marks)

Q4. AUM of Indian Mutual Fund Industry for the month of September 2022 stood at ₹ 39,87,990 crore. The MF Industry's AUM has grown from ₹ 20.40 trillion as on September 30, 2017 to ₹38.42 trillion as on September 30, 2022, around 2-fold increase in a span of 5 years. However, investors must also keep in mind that mutual funds are subjected to market risks. Hence it is important to evaluate the schemes before investing. Explain the various aspects an investor has to keep in mind when evaluating a Mutual Fund. (10 Marks)

Q5. Ishika is working for an event management company since June. She wishes to visit her dream destination Paris someday with her own savings. However, she does not currently have any substantial savings as she only saves Rs.3000 every month after all her expenses. As a good friend you recommend her to start saving that amount every month in mutual funds. Highlighting the advantages of Mutual Fund investment discuss the option best suited for her Paris trip fund. (10 Marks)

Q6.

a) Elaborate the types of mutual fund schemes based on market capitalization (05 Marks)

b) Discuss the characteristics and risks associated with debt funds. (05 Marks)

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