

International Islamic University Chittagong
Department of Business Administration
MBA, Mid-Term Examination
Semester: Autumn 2019

Course Title: Investment & Portfolio Management
 Time –2.0 hours

Course Code: FIN-5508
 Full Marks – 30

[Answer any three of the followings. Figures in the right margin indicate full marks]

Question: 1

- a. Write down the top-down approach to fundamental analysis showing only factors variables at each stage. 03
- b. State the security market environment in Bangladesh. 03
- c. What are the different categories of companies being traded in the stock market? Show the investment alternatives in the security market of Bangladesh. 04

Question: 2

- a. Describe the industry activities based on: (i) Market structure & (ii) Industry life cycle 04
- b. How can you identify a quality security for the investment in stock market? 02
- c. The following data have been extracted from the records of CSE: 04

Year	Market Price				Shares outstanding			
	A	B	C	D	A	B	C	D
2012	50	40	35	45	1000	3000	2000	4000
2013	20*	40	30	40	3000	3000	2000	4000
2014	24	45	33	50	3000	3000	2000	4000

* 3 for 1 stock split took place on the first day of the year 2013

Required:

- (I) Stock index according to (i) DJIA; (ii) S & P-500; and (iii) CSE-30 Index
- (II) Market rates of return based on the indices calculated in part (I)

Question: 3

- a. Analyze the securities on the basis of information supplied and select the fundamentally best one on each kind of information: 07

Financial Indicators	ACI	SQUARE	BEIMCO
Current Ratio	3.5:1	1:1	2:1
Quick Ratio	0.90:1	1:1	2:1
Debt-Equity Ratio	1:1	0.80:1	0.40:1
Debt-Capitalization Ratio	0.50:1	0.45:1	0.30:
Return on Equity	18	20%	22%
Return on Capital Employed	15%	18%	20%
Debtors Turnover	45 days	20 days	20 days
Creditors Turnover	30 days	30 days	40 days
Inventory Turnover	60 days	50 days	45 days

- b. Define the analysis of securities. State the assumptions of technical analysis? 03

Question: 4

- a. Describe the following factors regarding investment opportunity from the perspective of Bangladesh: 03
 - (i) Government economic policies; (ii) Economic indicators; (iii) Law and Order Situation
- b. Write down the techniques of Technical Analysis. What message does technical analysis provide? 03
- c. Draw a curve showing the Rate of Change indicator with imaginary price information. 04