

**PG IV S -N 1623 A - 2K14****M.Com. IVth Semester (CBCS) Degree Examination****Commerce****(Mutual Funds)****Paper: SC-4.5(B)****(New)**

Time: 3 Hours

Maximum Marks: 80

**Instructions to Candidates:**

Answer all the sections.

**SECTION - A****1. Answer all the sub-questions. Each sub-question carries two marks. (10 × 2 = 20)**

- a) Mention three common mistakes in mutual fund investing.
- b) What is a load scheme?
- c) Define SWP.
- d) What does each colour of colour coded mutual fund indicates?
- e) What is a Sales Price? How do you ascertain it?
- f) What is Exmark?
- g) Define leveraged fund.
- h) What is sharpe's ratio?
- i) How do you calculate the return on mutual fund investment?
- j) What is an AMC?

**SECTION - B****Answer any THREE questions. Each question carries five marks: (3 × 5 = 15)**

2. Explain the pros and cons of investing in mutual funds.
3. Explain in brief risks associated with mutual fund investment

4. Discuss the contents of advertisement code of mutual funds. <http://www.karnatakastudy.com>
5. Write a note on business ethics in mutual funds.
6. Six star Money Mutual Fund had introduced a growth plus scheme which would give dividends together with growth in NAV. The face value per unit is Rs. 10.00. Mr. Sandeep bought units of this mutual fund at Rs. 21.85 per unit on 01-01-2009. On 31-12-2009 his investment's NAV was Rs. 22.45 and he had also received a dividend of 14.5%. Compute the return of Mr. Sandeep from investment in Six Star Money Mutual Fund.

### SECTION - C

**Answer any THREE questions. Each question carries 15 marks. (3 × 15 = 45)**

7. What are the features of open - ended and close - ended mutual fund schemes? Compare both of them.
8. Discuss in detail the mutual fund investment process.
9. When does the Board may suspend a certificate of registration granted to a mutual fund? Explain the procedure to be followed to do so.
10. Discuss in detail the rights and obligations of AMC.
11. You are given the following historical performance information on the capital market and a mutual fund:

Year	Mutual Fund Data	Mutual Fund return (%)	Return on market index (%)	Return on Govt Securities (%)
1	0.90	-3.00	-8.50	6.50
2	0.95	1.50	4.00	6.50
3	0.95	18.00	14.00	6.00
4	1.00	22.00	18.50	6.00
5	1.00	10.00	5.70	5.75
6	0.90	7.00	1.20	5.75
7	0.80	18.00	16.00	6.00
8	0.75	24.00	18.00	5.50
9	0.75	15.00	10.00	5.50
10	0.70	-2.00	8.00	6.00

Calculate the following risk adjusted return measures for the mutual fund.

- a) Reward - to - variability ratio
- b) Reward - to - volatility ratio

Comment on the mutual fund's performance.