



spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



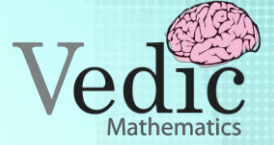
SpardhaGuru



Spardha.guru



www.spardha.guru



1) Liquidity risk is :

- A) is risk investment bankers face.
- B) is lower for small OTC
- C) increases whenever interest rates increases
- D) is risk associated with secondary market transactions

2) Bond holders usually accept interest payment each.

- A) 1 year
- B) six months
- C) 2 months
- D) 2 years

3) Passive management is also referred to as.....?

- A) index fund management
- B) index folio management
- C) interest free management
- D) none of these

4) Multifactor asset pricing model that can be used to estimate therate for the valuation of financial asset.

- A) discount
- B) interest
- C) expense
- D) risk

5) Arbitrate pricing theory is an model.

- A) asset pricing
- B) risk evaluation
- C) bond pricing
- D) none of these

6) CAMP stands for .

- A) capital asset pricing model
- B) capital assessment pricing model
- C) capital asset placement model
- D) none of these

7) An asset risk premium is given by :

- A) the asset standard deviation
- B) the assets expected returns

- C) expected return per unit of standard deviation
- D) the excess of the assets expected return over the riskless rates

8) Which of the following is an example of a depreciable asset?

- A) land
- B) cash
- C) account receivable
- D) equipment

9) While bond prices fluctuate ,

- A) yeilds are constant
- B) coupon are constant
- C) the spread between yeilds is constant
- D) short term bond prices fluctuate even more

10) To calculate historical (realised) risk and return, use;

- A) ex-post data
- B) mean and variance of expected return
- C) probability distribution of possible states
- D) ex- ante data

11) A price weighted index is an arithmetic mean of

- A) future prices
- B) current prices
- C) quarter prices
- D) none of these

12) A firm that fails to pay dividends on its preferred stock is said to be

- A) insolvent
- B) in arrears
- C) in sufferable
- D) delinquent

13) is not a money market instrument.

- A) certificates of deposit
- B) a treasury bill
- C) a treasury bond
- D) commercial paper





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



14) A bond that has no collateral is called

- A) collable bond
- B) a debenture
- C) a junk bond
- D) a mortgage

15) The process of addition of more assets in an existing portfolio is called.....?

- A) portfolio revision
- B) portfolio addition
- C) portfolio exchanging
- D) none of these

16) -----is the amount left over after individual consumption.

- A) Investment
- B) Savings
- C) Surplus
- D) Money.

17) --- include "expensive stocks" that offer big rewards but have big risk.

- A) The patient portfolio
- B) Conservative portfolio
- C) Aggressive portfolio
- D) Efficient portfolio

18) Find the odd one.

- A) Risk
- B) Return
- C) Safety
- D) Tax evasion

19) An investor committed money for very short period expect....

- A) Return from price fluctuation
- B) Dividend
- C) Benefit from both price variation and dividend
- D) None of these

20) Investment in precious metals are included in asset class.

- A) Liquid assets
- B) Financial assets
- C) Real assets
- D) Monetary assets

21) The investment process begins with -----

- A) Investment policy
- B) Security analysis
- C) Portfolio construction
- D) Fundamental analysis

22) Total risk includes-----

- A) Systematic risk only
- B) Unsystematic risk only
- C) Both a and b above
- D) Only diversifiable risks

23) Systematic risk includes-----

- A) Market risk
- B) Interest rate risk
- C) Purchasing power risk
- D) All the above

24) Which among the following statements are true about unsystematic risk?

- A) It is diversifiable
- B) It is company specific
- C) Both a and b
- D) a only

25) Which among the following is true about systematic risk?

- A) It is not diversifiable
- B) a only
- C) Its measure is Beta
- D) Both a and c

26) According to Graham, a stock should have a current ratio of at least---

- A) One
- B) Two
- C) Three
- D) Four





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



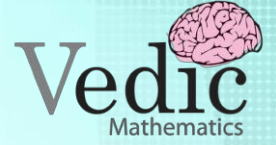
SpardhaGuru



Spardha.guru



www.spardha.guru



27) -----is the process of combining together various investment assets to obtain optimum returns with minimum risk.

- A) Portfolio construction
- B) Portfolio analysis
- C) Portfolio evaluation
- D) Portfolio revision

28) Modern portfolio theory is a contribution by.....

- A) William sharp
- B) Benchamin Graham
- C) Stephen Rose
- D) Harry Markowitz

29) MACD stands for -----

- A) Managing asset classes for dividend
- B) Multiple asset class deposit
- C) Moving average convergence divergence
- D) Main asset class deposit

30) The concept 'never putting all your eggs in one basket' is explained in ---

- A) Markowitz Model
- B) Sharp single index Model
- C) Multi Index Model
- D) APT

31) Who introduced mean variance analysis in portfolio theory?

- A) William Sharp
- B) Harry Markowitz
- C) F.Amling
- D) Kritzman

32) Unsystematic risk may arise due to the following reason.

- A) Change in interest rate
- B) Increase in population
- C) Employee strike in the company
- D) Exchange rate fluctuations

33) A higher standard deviation is an indicator of---

- A) Greater risk and higher potential returns
- B) Moderate risk and higher potential returns
- C) Lower risk and higher potential returns
- D) Greater risk and lower potential returns

34) If the returns of two securities are unrelated, the covariance will be---

- A) Positive
- B) Negative
- C) Zero
- D) One

35) Portfolios included in the risk return space is called-----

- A) Feasible set
- B) Efficient portfolio
- C) High return portfolio
- D) Risky portfolio

36) The concept efficient frontier is a contribution by-----.

- A) Robert Rhea
- B) E.GeorgeSchaefer
- C) Charles H.Dow
- D) Harry Markowitz

37) A fully diversified portfoliocontains securities which have---

- A) Only unsystematic risk
- B) Both systematic and unsystematic risk
- C) Only systematic risk
- D) No risk

38) ---- is the measure of risk in the case portfolio with two securities.

- A) Correlation
- B) Covariance
- C) Standard deviation
- D) Beta

39) Value of Beta above 1 implies---





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



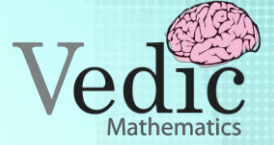
SpardhaGuru



Spardha.guru



www.spardha.guru



- A) Higher risk than the market average
- B) Less risk than market average
- C) Less risk than risk free investment
- D) None of the above

40) CML stands for.

- A) Convergence Market Line
- B) Critical Market Line
- C) Critical Maturity Line
- D) Capital Market Line

41) ----- is also called characteristic Lines.

- A) CML
- B) SML
- C) Efficient Frontier
- D) CAL

42) Efficient frontier is situated at ----- boundary of opportunity set.

- A) North west
- B) North east
- C) South west
- D) South east

43) Arbitrage Pricing Theory was introduced by---

- A) Charles Dow
- B) Benhamin Graham
- C) William sharp
- D) Stephen S.Rose

44) Which pricing model provides no guidance on the determination of the risk premium factor?

- A) The Multifactor APT
- B) The CAPM
- C) Both CAPM & Multifactor APT
- D) Neither the CAPM nor Multifactor APT

45) ----- is an example for oscillators.

- A) ROC
- B) RSI
- C) MACD
- D) All the above

46) The APT differs from CAPM because the APT.

- A) Places more emphasis on market risk
- B) Recognizes multiple systematic risk factors
- C) Recognizes multiple unsystematic risk factors
- D) Minimizes the importance of diversification

47) ----- focus more on past price movement of a firm's stock than on the underlying determinants of future profitability.

- A) Credit Analysis
- B) Fundamental Analysis
- C) Systems Analysis
- D) Technical Analysis

48) RAPM stands for -----

- A) Risk Adjustment Performance Matrix
- B) Risk Adjusted Performance Measure
- C) Risk return Analysis of portfolio management
- D) Risk Adjusted portfolio Measure

49) Reward to variability Ratio is----

- A) Traynor Ratio
- B) Sharp Ratio
- C) Jenson Ratio
- D) Book Market Ratio

50) Reward to volatility Ratio is also called as----

- A) Treynor Ratio
- B) Sharp Ratio
- C) Jenson Ratio
- D) Book market Ratio

