

UNIT NUMBER	QUESTION	OPTION_1	OPTION_2	OPTION_3	OPTION_4	CORRECT OPTION
I	___ means transferability of saleability of assets.	investment	risk	portfolio	marketability	1
I	An _____ is an asset or item that is purchased with the hope that it will generate Income	Investment	Savings	Mutual Fund	Interest	2
I	A _____ is a professionally managed income Scheme.	Savings	Mutual Funds	Risk	Return	3
I	_____ refers to an investment ready to convert into cash position.	Cash	Cheque	Liquidity	Risk	1
I	_____ means transferability of sales ability of an assets.	Investment	Portfolio	Risk	Marketability	2
I	A Good _____ on an investment is the first and foremost condition for effective investments.	Risk	Rate of Return	Liquidity	Interest	3
I	_____ means a combination of financial assets and Physical assets.	Security	Investments	Portfolio	Financial Sector	4

I	Portfolio _____ _ is the process of reviewing of assessing the elements of the entire portfolio of securities or products in a business.	Selection	Implement	Target	Analysis	1
I	Higher _____ is associated with greater probability of Higher Returns.	Risk	Returns	Analysis	Interest	4
I	_____ assists in the selection of the most efficient by analyzing various possible portfolios of the given securities.	Interior Approach	Golden Approach	Walter Approach	Markowitz Approach	4
I	_____ is an alternatives to the single index model.	Double Index	Single Index	Efficient	Multi Index Model	2
I	_____ risk is the risk of investments declining in value because of economic development or other events that affects the entire market.	Stock	Market	Return	Risk	4
I	_____ risk applies when you own foreign investments.	Exchange	Beta	Bid	Currency	4

I	_____ risk is the risk of the loss from reinvesting principal or income at a lower interest rate.	Investments	Risk	Returns	Reinvestments	1
I	_____ risk is the risk of outliving your savings.	Longevity	Shortability	Medium	Zero	4
I	Higher risk is associated with greater probability of higher _____	Risk	Beta	Correlation	Return	1
I	_____ risks are associated with low potential returns.	Low	High	Average	Netural	2
I	The risk return trade off is an important element of _____ theory.	Old Portfolio	Modern Portfolio	Markowitz Portfolio	New Portfolio	3
I	The _____ is a result of external and uncontrollable variables	Unsystematic Risk	Returns	Systematic Risk	Systematic Return	1
I	_____ measures the dispersion of data from its expected value.	Standard Deviation	Beta	Variance	Quartile Deviation	2
I	_____ measures the amount of systematic risk a security has relative to the whole market.	Standard Deviation	Beta	Variance	Quartile Deviation	3

I	_____ is a measurement of the spread between numbers in a data set.	Standard Deviation	Beta	Variance	Quartile Deviation	1
I	_____ is a technique of reducing the risk involved in a portfolio	Diversification	Specification	Different	Personification	3
I	A line that describes the relationship between an individual securities returns and returns on the market portfolios	Security Line	Capital Market Line	Characteristic Line	Beta	1
I	The risk free security has beta equal to , while the market portfolios beta is equal to _____	Zero ; One	One ; More than One	One ; Less than One	Less than Zero	3
I	Beta is the Scope of _____	Security Market Line	Capital Market Line	Characteristic Line	CAPM	2
I	The risk of loss of money is less in the case of _____ instruments.	Equity	Debts	Both A&B	Mutual fund	2
I	The Main characteristics of investments are _____	Loss	Safety	Declined	Unsafe	1
I	_____beta indicates that security return moves in the opposite	Negative	Positive	Zero	Neutral	3

	direction from the market movements					
I	_____ risk is risk arising from external factors which are macro in nature.	Unsystematic	Risk	Systematic	Return	2
I	The art of changing the mix of securities in a portfolio is called as portfolio _____	Vision	Revision	Repeat	Mission	2
I	Portfolio _____ is the last step in the process of portfolio management	Valuation	Evaluation	Revision	Performance	3
I	Portfolio evaluation refers to the evaluation of the _____ of the portfolio.	Response	Revaluation	Performance	Revision	4
I	_____ index is a ratio of return generated by the fund over and above risk free return during the given period and systematic risk associated with it Beta	Sharpe's ;	Jenson's ;	Portfolio ;	Treynor's	2
I	A portfolio comprises several _____	Group	Individual	Team	Ungroup	3

	securities					
I	A bond is a _____ instruments	Equity	Hybrid	Debts	Commodity	1
I	The _____ of a bond is the price at which the bond is sold to investor when first issued.	Face Value	Premium	Par Value	Equity	2
I	The periodic interest payment promised to bond holders are computed as fixed percentage of the bond face value this percentage is known as the _	Premium	Coupon Rate	Par	Face Value	4
I	Many bonds contain a provision that enables the issuer to buy the bond back from the bondholders at a pre-specified price prior to maturity. This Price is Known as - _____	Put Price	Face Value	Par	Call Price	1
I	The rate of interest used to discount the bond cash flow is known as the	YTM	Coupon Rate	Par	Bond Valuation	1
I	Face value is the value stated on the face of	Par Value	Market Value	Redemption Value	Intrinsic Value	1

	the bond and is also known as					
II	_____ risk is avoidable through proper diversification.	portfolio risk	systematic risk	unsystematic risk	total risk	3
II	A statistical measure of the degree to which two variables move together is called ____	coefficient of variation	variance	covariance	certainty equivalent	3
II	An "aggressive" common stock would have a "beta" ____	equal to zero	greater than one	equal to one	less than one	2
II	According to the capital-asset pricing model(CAPM) a security's expected return is equal to the risk-free rate plus a premium ____	equal to the security's beta	based on the unsystematic risk of the security	based on the total risk of the security	based on the systematic risk of the security	4
II	The risk-free security has beta equal to ___, while the market portfolio's beta is equal to ____	one;more than one	one;less than one	zero;one	less than zero;more than zero	3
II	Carrie has a "certainty equivalent" to a risky gamble's expected value that is less than the gamble's expected value. Carrie shows ____	risk aversion	risk preference	risk indifference	a strange outlook on life	1
II	Beta is the slope of ____	the security market line	the capital market line	a characteristics line	the CAPM	3

II	A measure of "risk per unit of expected return is ____	standard deviation	coefficient of variation	correlation coefficient	beta	2
II	the greater the beta, the ____ of the security involved.	greater the unavoidable risk	greater the avoidable risk	less the unavoidable risk	less the avoidable risk	1
II	____ risk arises due to variability of interest rates	market rate	interest rate	purchasing power rate	business	2
II	____ risk is risk arising from external factors which are macro in nature.	systematic	unsystematic	interest risk	purchasing power risk	1
II	____ risk arises from capital structure of the company.	market rate	interest rate	purchasing power rate	financial	4
II	Securities which are more sensitive to changes in market or economy or political factors are considered ____ on risk.	high	low	stable	not effective	1
II	____ beta indicates that security's return moves in the direction in which market moves.	positive	negative	zero	no change	2
II	Risk is a situation where possible outcomes are ____.	highly certain	certain	uncertain	normal	3
II	Risk is associated with ____	past	present	future	normal	3

	_ returns.					
II	_____ is a measure of risk.	range	beta	covariance	ratios	1
II	_____ is best measure of total risk.	range	variance	standard deviation	beta	3
II	_____ risk is avoidable risk.	systematic	unsystematic	inflation	personal changes	1
II	Internal business risk is a source of _____ risk.	systematic	unsystematic	inflation	personal changes	2
II	Most investors are risk _____.	averse	taking	indifferent	different	1
II	Investors who invest in risky securities to satisfy their urge to take risk are known as risk _____ investors.	averse	taking	indifferent	different	2
II	An unsystematic risk is the one which can be eliminated but the market risk is the _____ risk.	ineffective	effective	remaining	aggrerate	3
II	A measure that compares the behavior of returns of two securities with each other is known as _____.	Coefficient of correlation	variance	Coefficient of variance	range	1

	—.					
II	Standard deviation of a portfolio consisting of securities with perfect positive correlation will be equal to _____ of standard deviation of securities in the portfolio.	Simple mean	Weighted mean	median	mode	2
II	Standard deviation of a portfolio depends upon standard deviation of securities in the portfolio, weight of securities in the portfolio and _____ amongst securities in the portfolio.	variance	Coefficient of correlation	range	Coefficient of variance	2
II	According to the capital market line, the expected return of any efficient portfolio is a function of _____ risk.	unique	total	systematic	unsystematic	2

II	All other things remaining same, diversification is most effective when securities returns are ____.	Positively correlated	Uncorrelated	high	Negatively correlate	4
II	_____ measures how the returns of two risky assets move together.	Correlation	mean	mode	beta	1
II	When a portfolio of two securities with perfect negative correlation is formed, minimum standard deviation that can be achieved is ____.	Greater than Zero	equal to zero	equal to 1	Total of standard deviations of securities in the portfolio	2
III	An Investment portfolio should ideally be ____.	Tailor – made as per investor's requirement.	Standardized for all investors	Coefficient of variance	range	1
III	Portfolio returns are equal to _____ of returns of securities in the portfolio.	simple mean	Weighted mean	median	mode	2
III	A portfolio consisting securities with _____ correlation cannot achieve any risk	perfect positive	perfect negative	zero	no relation	1

	reduction with any level of diversification					
III	The idea of selecting securities in a portfolio based on coefficient of correlation of their returns was purported by ____.	William Sharpe	Harry Markowitz	Black & Scholes	Walter	2
III	portfolio that provides highest possible returns at lowest possible risk is known as ____ portfolio.	risky	behaviour	inefficient	efficient	4
III	An investor with leesor tolerance for risk should take ____ proportion of bonds.	higher	lower	zero	Negative	1
III	It is well known that during the accumulation phase when the investor is building assets,he can afford to take ____ risks.	lower	more	no	less	2
III	____ portfolio is most suited for people with high-risk appetite as it will include	hybrid	defensive	aggressive	offensive	3

	mostly stocks.					
III	The ____ per share is the networth of the company divided by the number of outstanding equity shares.	book value	replacement value	liquidation value	face value	1
III	____ analysis is based on the assumption that the historical price movements of stocks give indications about its future performances.	fundamental	technical	phscological	sociological	2
III	____ charts are ideal for beginner traders to use due to their simplicity.	bar	candlestick	line	pie	3
III	____ charts show a series of vertical lines called price.	bar	candlestick	line	pie	1
III	A ____ is a professionally-managed income scheme.	PPF	fixed deposit	government securities	Mutual fund	4
III	More is the _____, more is the profit.	risk	Investments	money	risk avoidance	1
III	An undervalued security will have _____ alpha.	Zero	Positive	Negative	Correlation	2

III	_____ involves frequent and sometimes substantial adjustment to the portfolio	Active revision strategy	Investors	Portfolio evaluation	Portfolio strategies	1
III	Constraints in portfolio revision may include _____	Intrinsic difficulty	Risk premium	Risk from stock collection	Excess return	1
III	Total risk= risk free return + _____	Risk premium	Risk from stock collection	Excess return	Systematic risk	3
III	A portfolio comprises several _____ securities.	group	individual	active	passive	2
III	Beta is a slope of:	Security market line	Capital market line	Characteristic line	CAPM	3
III	_____ are/is principle(s) of active portfolio strategy	Market timing	active	passive	modern	1
III	Constant rupee value plan is a strategy used in _____ portfolio management strategy.	Active	passive	modern	demodern	2
III	According to Fundamental analysis, a company's stock price depends on _____.	Company's financial health	Regression	Interpolation	Extrapolation	1
III	Return on investment is determined by _____.	net profits	capital employed	net worth	Net profit and capital employed	4

III	analysis is a technique that attempts to determine a security's value by focusing economic analysis, industry analysis and underlying factors that affects company's actual business.	Fundamental	Technical	Moral	DE moral	1
III	Fundamental analysis answers which of the following questions about the company?	Is the company actually making profit?	Inflation	Fiscal & Monetary policy	Monsoon & Agriculture	1
III	Under economic analysis the technique of drawing out a relationship between an independent variable and a dependent variable is known as _____ model building.	Econometric	Barometric	Opportunistic	Thermometric	1
III	Under economics analysis an analyst will study _____.	Government policies	Inflation	Fiscal & Monetary policy	Monsoon & Agriculture	1
III	Study of company's financial statements is a	Fundamental	Technical	Moral	De moral	1

	part of _____ analysis.					
III	The daily high price s represented on a candlestick chart by the _____.	Real body	Trend-line	Channel	Shadow	4
III	Profitability Ratio is _____	Net ratio	Gross profit ratio	Du-pond ratio	ROCE ratio	2
III	Income statements are thoroughly analysed under _____ analysis.	Economy	Industry	Company	Technical	3
III	The fundamental analysis is a method of finding out _____.	ratios	value of shares	tips	Future type of securities	4
III	_____ analysis provide a simplified picture of price behaviour of a share	Fundamental	Technical	Ratio	Funds flow	2
IV	As per capital asset pricing model, securities that lie on security market line are _____ valued.	correctly	over	under	not	1
IV	_____ is required to calculate returns of security as per CAPM?	Risk free rate of returns	Interpolation	Regression	Extrapolation	1

IV	Portfolio beta is _____ of beta of securities in the portfolio.	simple mean	weighted mean	aggregate	median	2
IV	Single Index model classifies risk under _____ and _____.	Known, unknown	Systematic, Unsystematic	Real, Notional	Quick , Unquicken	2
IV	Single Index model is based on _____ concept.	regression	Interpolation	extrapolation	Interpretation	1
IV	Single Index model is based on _____ paring of securities.	direct	quick	index	indirect	3
IV	Portfolio alpha is _____ of security alpha.	total	difference	simple average	Weighted average	4
IV	_____ index is a ratio of return generated by the fund over and above risk free rate of return during a given period and systematic risk associated with its beta	Sharpe	Beta	Jenson	Treynor	4
IV	_____ theory attempts to develop a rationale for a long term pattern in stock price movement	Charles Dow	Elliott Wave	Michael Porter	Romeo Mascarenhas	2

IV	Jensen's measure provides _____ of a security.	beta	alpha	gamma	theta	2
IV	Overpriced securities will have ____.	zero alpha	zero beta	negative alpha	negative beta	3
IV	Treynor's measure of an overpriced security will be _____ as compared to Treynor's measure of Market.	lower	higher	same	neutral	1
IV	_____ is the lower price level at which demand for shares gains momentum	Decline level	Resistance level	Support level	Growth	3
IV	Dow theory consists of _____ types of market movement	4	3	5	7	2
IV	_____ is an arithmetic mean of price data	Exponential moving average	Parabolic system	Simple moving average	Moving average	3
IV	_____ is/are the measures of economic activity of a country.	Inflation	Econometric	Barometric	Opportunistic	1
IV	A _____ average of a stock index is the average level of the index over a given interval	Static	Moving	Gross	Net	2

	of time.					
IV	Market price breaking through the moving average from below is a _____ indicator.	Bullish	Bearish	Flat	Curve	1
IV	Increase in odd-lot selling as compared to odd-lot buying, is a _____ indicator.	Bullish	Bearish	Flat	Neutral	1
IV	Triple tops and triple bottoms are indicators of _____.	Role reversal	High volumes	Flat	Neutral	1
IV	_____ is relevant to market breadth.	The number of investors buying and selling	Tick test	Advance/declining ratio	only on sales	3
IV	The security market line (SML) is the graph of _____	Expected rate on investment (Y-axis) vs. variance of return	Expected return on investment vs. standard deviation of return	Expected rate of return on investment vs. beta	Expected rate on investment (X-axis) vs. variance of return	3
IV	According to the CAPM, overpriced securities have _____	Negative alphas	alphas	Negative betas	Positive alphas	1
IV	The market risk premium is the slope:	Capital market line	Security market line	Efficient frontier	Characteristic line	2

IV	_____ is most closely associated with the terms “primary trend”, intermediate trend”, and “short-term trend”?	Bar Chart	Candlestick Chart	Channel	Dow Theory	4
IV	According to the Dow Theory, daily fluctuations and secondary movements in the stock market are used to identify the _____ trend.	Short Term	Long Term	primary	Seasonal	3
IV	Elliott wave theory is a variation of _____ Theory.	Markowitz	Sharpe	Dow	Channel	3
IV	As per _____ _ form of efficient market hypothesis all public information is reflected in the current market prices in the stock markets.	Weak	Strong	Semi-strong	Market	3
IV	As per _____ form of efficient market hypothesis all public or private information is reflected in the	Weak	Strong	Semi-strong	Market	2

	current market prices in stock markets.					
IV	As per _____ form of efficient market hypothesis current market prices only reflect past price movements.	Weak	Strong	Semi-strong	Market	1
IV	Efficient Market hypothesis advocates _____ investment strategy.	active	buying	passive	Strong	3
IV	Definition of _____ _ differs under various forms of efficient market hypothesis.	Efficiency	Information	Prices	Returns	2
IV	According to efficient market hypothesis a small investor having Rs.1,00,000 with him should _____. _____.	Try and exploit market anomalies	Invest in risk free securities	Perform fundamental analysis before investing	Invest in mutual funds	4
IV	The Dow theory employs ____ of Dow Jones Average.	Three	one	two	Four	3

IV	In Dow-Jones Transportation Average and Dow-Jones Industrial Average, both averages are rising, it indicates ____ market.	Bull	Bear	uncertain	Risky	1
IV	The ____ trend is the long range cycle that carries the entire market up or down resulting in bull or bear markets.	primary	secondary	daily	Intermediate	1
IV	The efficient-market hypothesis was developed by ____	Dow-Jones	Eugene Fama	R.N. Elliott	Markowitz	2