Reg. No.: ....

Name: ....

University of Kerala

W8013

First Semester FYUGP Degree Examination, December 2025

Multi-Disciplinary course

COMMERCE

UK1MDCCOM101 - Fundamentals of Investment

Academic Level: 100-199

2024 Admission onwards

Time: 1 Hour 30 Minutes(90 Mins.) **Max. Marks: 42**

Part A. 6 Marks.Time:6 Minutes.(Cognitive Level:Remember(RE)/Understand(UN)) Objective Type. 1 Mark Each.Answer all questions

Qn No.	Question	CL	CO
1	An investor interested in regular returns would prefer: Options : A)Growth stocks B)Real estate appreciation C)Dividend-paying stocks or bonds D)Start-up equity	RE	1
2	What does F.V. stand for in the time value of money Options : A)Final Value B)Future Value C)Fixed Value D)Forecast Value	RE	3
3	Identify credit risk Options : A)Risk that a borrower may fail to repay B)Risk of stock prices rising C)Risk of tax reduction D)Risk of high profits	UN	2
4	Present value refers to: Options : A) Value of money in the future B)Current value of a future amount of money C)Value of assets held in the past D)Value of savings account balance	UN	3
5	The National Pension Scheme (NPS) is primarily designed for: Options : A)Short-term savings B)Long-term retirement planning C)Speculative trading D)Liquidity management	UN	4
6	Choose the preferable investment for a young investor below the age of 25	UN	1

Qn No.	Question	CL	CO
	Options : A)High risk, high return investments B)Only fixed deposits C)No investment D)All money in savings account		

Part B.8 Marks.Time:24 Minutes.(Cognitive Level:Understand(UN)/Apply(AP))Short Answer. 2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	Mention any three investment objectives	UN	1
8	Describe the compounding effect in investment	UN	3
9	Suggest any two suitable investment alternatives for a risk-averse investor and give reasons.	AP	4
10	An investor fears risk from investment. Explain him the difference between systematic and unsystematic risk	AP	2

Part C. 28 Marks.Time:60 Minutes (Cognitive Level:Apply(AP)/Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer.7 marks each.Answer all 4 Questions choosing among options * within each question

Qn No.	Question	CL	CO
11	A) Imagine your friend is concerned about taking investment decision and approaches you for help. Discuss the factors that you will consider to help him invest wisely OR B) Apply the major considerations in investment decision-making to evaluate the suitability of investment for a middle-income family.	AP	1, 1
12	A) Categorize time value concepts to analyze how compounding influences long-term savings and retirement planning. OR B) Analyse the structure of an amortisation table and identify the pattern of decreasing outstanding balance.	AN	3, 3
13	A) Compare and contrast Systematic risk and Unsystematic risk.	EV	2, 2

Qn No.	Question	CL	CO
	OR B) Assess the relationship between risk and return in investment and factors affecting risk and return.		
14	A) Create a comparison table of all major investment avenues and propose which ones suit different investor categories, based on risk. OR B) Design a table grouping financial instruments into traditional and modern investment avenues.	CR	4, 4