

N - 2164**COURSE CODE****205544**

ONLINE PROGRAMME EXAMINATIONS
M.B.A. DEGREE EXAMINATION, DECEMBER 2025
Second Year - Fourth Semester
M.B.A. (GENERAL)
INVESTMENT AND DERIVATIVES MARKET
(CBCS - 2020 onwards)

Time : 2 Hours

Maximum : 75 Marks

PART - A

(33 X 1 = 33)

Answer **all** the questions.

1. _____ of the following is a debt instrument.

(a) Equity Share

(b) Debenture

(c) Mutual Fund

(d) Real Estate

2. _____ is a characteristic of debt instruments.

(a) Ownership rights

(b) Voting rights

(c) Fixed maturity period

(d) Dividend payments

3. What happens to bond prices when interest rates rise?

(a) Bond prices increase

(b) Bond prices decrease

(c) Bond prices remain unchanged

(d) Bond prices fluctuate randomly

4. Why is debt pricing theorems important for investors?

(a) To determine stock prices

(b) To calculate returns on equity investments

(c) To understand the relationship between interest rates and bond prices

(d) To predict commodity prices

5. How does convexity relate to duration?

(a) Convexity measures the same thing as duration

(b) Convexity is a measure of interest rate risk, while duration measures credit risk

(c) Convexity measures the change in duration due to interest rate changes

(d) Convexity is a refinement of duration, capturing non-linear relationships

N - 2164

6. What is the benefit of convexity for bond investors?
- (a) Higher returns for higher risk (b) Lower risk for similar returns
(c) Increased price appreciation when interest rates fall (d) Reduced price depreciation when interest rates rise
7. The relationship between convexity and bond price volatility is _____
- (a) Higher convexity leads to higher price volatility (b) Higher convexity leads to lower price volatility
(c) Convexity has no impact on price volatility (d) Convexity is directly proportional to price volatility
8. How does horizon analysis help in debt portfolio management?
- (a) By predicting stock prices (b) By identifying opportunities to maximize returns through active trading
(c) By assessing the impact of interest rate changes on bond portfolios (d) By managing credit risk
9. Passive immunization in debt portfolio management denotes _____
- (a) Actively trading bonds to maximize returns (b) Matching the duration of assets and liabilities to minimize interest rate risk
(c) Investing in high-yield bonds (d) Diversifying across different asset classes
10. What type of swap involves exchanging cash flows based on different currencies?
- (a) Interest rate swap (b) Currency swap
(c) Commodity swap (d) Credit default swap

N - 2164

11. _____ is a bond.

- (a) A type of equity investment
- (c) A form of derivative security

- (b) A debt security issued by a borrower
- (d) A type of commodity investment

12. _____ is a characteristic of equity market investments.

- (a) Low liquidity
- (c) Fixed income

- (b) High risk
- (d) Low returns

13. How does economic growth impact the equity market?

- (a) Slows down market growth
- (c) Boosts corporate earnings and investor confidence

- (b) Has no impact on the market
- (d) Increases market volatility

14. The dividend model of equity valuation means _____

- (a) A model that estimates stock value based on earnings
- (c) A model that estimates stock value based on book value

- (b) A model that estimates stock value based on dividend payments
- (d) A model that estimates stock value based on market trends

15. What is the assumption about dividend growth in the constant growth model?

- (a) Dividends decrease over time
- (c) Dividends grow at a constant rate forever

- (b) Dividends remain constant
- (d) Dividends grow at a variable rate

N - 2164

16. The Price-to-Earnings (P.E) ratio indicate _____
- (a) A company's debt-to-equity ratio
 - (b) A company's return on equity
 - (c) The market's expectation of a company's future earnings growth
 - (d) The number of shares outstanding
17. What is an application of the P.E ratio model?
- (a) Estimating the cost of debt
 - (b) Determining the optimal capital structure
 - (c) Comparing the valuation of different companies
 - (d) Predicting commodity prices
18. What is the primary focus of earnings-based models?
- (a) Dividend payments
 - (b) Book value of equity
 - (c) Earnings per share (EPS)
 - (d) Market trends
19. A put option means _____.
- (a) An option to buy an underlying asset
 - (b) An option to sell an underlying asset
 - (c) An option to exchange one asset for another
 - (d) An option to invest in a bond
20. Intrinsic value in the context of options means _____.
- (a) The difference between the current price of the underlying asset and the strike price
 - (b) The time value of the option
 - (c) The volatility of the underlying asset
 - (d) The interest rate

N - 2164

21. _____ determines the value of a call option at expiration.

- (a)The current price of the underlying asset is above the strike price
(b)The current price of the underlying asset is below the strike price
(c)The time to expiration
(d)The volatility of the underlying asset

22. _____ is the maximum loss for a buyer of a call option.

- (a)Unlimited
(b)The premium paid for the option
(c)The difference between the strike price and the underlying asset price
(d)The strike price

23. How does an increase in volatility affect the value of a call option?

- (a)It decreases the value
(b)It increases the value
(c)It has no impact
(d)It depends on the time to expiration

24. _____ is not a key factor affecting the value of a put option.

- (a)The current price of the underlying asset
(b)The strike price of the option
(c)The time to expiration
(d)Dividend

25. _____ is the primary purpose of the futures market.

- (a)To provide a platform for speculation
(b)To facilitate hedging against price risks
(c)To invest in commodities
(d)To manage foreign exchange rates

N - 2164

26. _____ is basis in the futures markets.

(a)The difference between the spot price and the futures price

(c)The premium paid for a futures contract

(b)The difference between the futures price and the strike price

(d)The margin required for a futures contract

27. How are returns on futures contracts typically measured?

(a)By calculating the difference between the futures price and the spot price

(c)By assessing the profit or loss from the futures contract

(b)By evaluating the change in the underlying asset's price

(d)By comparing the futures price to the strike price

28. What is a key difference between futures and options contracts?

(a)Futures contracts are standardized, while options contracts are customized

(c)Futures contracts are traded on commodities, while options contracts are traded on stocks

(b)Futures contracts obligate the buyer and seller to fulfill the contract, while options contracts provide the right but not the obligation

(d)Futures contracts have higher leverage than options contracts

29. _____ is a key factor in evaluating the performance of a futures contract.

(a)The underlying asset's volatility

(c)The profit or loss from the contract

(b)The futures contract's liquidity

(d)The margin requirements

30. _____ is the primary function of the Government Securities Market.

(a)To facilitate trading of corporate bonds

(c)To provide liquidity to the financial system

(b)To raise funds for government projects

(d)To regulate the stock market

N - 2164

31. _____ is the short-term government security with a maturity period of less than one year?

- (a) Government Bond (b) Treasury Bill
(c) Dated Security (d) Commercial Paper

32. _____ of the following debt instruments is issued by the government.

- (a) Corporate Bonds (b) Debentures
(c) Government Bonds (d) Commercial Paper

33. The relationship between bond prices and yields is _____.

- (a) Directly proportional (b) Inversely proportional
(c) No relationship (d) Randomly related

PART - B

(7 X 6 = 42)

Answer **all** questions choosing either (a) or (b).

34. (a) Classify the different types of Debt Instruments.

[OR]

(b) Summarize the Significance of Debt Pricing Theorems in investment decision making.

35. (a) Explain the risk and return relationship in bond investment.

[OR]

(b) Analyze the role of active management in debt portfolio management.

36. (a) Highlight the risks associated with bond investments.

[OR]

(b) Identify the factors governing Equity market growth.

37. (a) Explain the dividend model of equity valuation and state its assumptions.

[OR]

(b) Analyze the limitations and challenges of using P.E ratio-based models

38. (a) Narrate the concept of an option market and explain its significance in the financial system

[OR]

(b) Elaborate the procedure to determine the value of an option at the time of expiration.

39. (a) Evaluate the factors affect the value of put options.

[OR]

(b) Narrate the Significance of future market.

40. (a) Futures Vs Options.

[OR]

(b) List out the different types of instruments traded in the Government Securities Market.

N - 2164

N - 2165

COURSE CODE

205545

ONLINE PROGRAMME EXAMINATIONS
M.B.A DEGREE EXAMINATION, DECEMBER 2025
Second Year - Fourth Semester
(FINANCIAL MANAGEMENT)
GROWTH MANAGEMENT
(CBCS - 2020 onwards)

Time : 2 Hours

Maximum : 75 Marks

PART - A

(33 X 1 = 33)

Answer **all** the questions.

1. In the context of growth management, what does 'Sinews' refer to?

(a) Strategies for expansion	(b) Essential elements or building blocks
(c) Synchronized planning	(d) Swift decision-making

2. What is a key consideration in Managing Rapid Growth for organization success?

(a) Ignoring any challenges associated with rapid expansion	(b) Slowing down growth efforts to avoid challenges
(c) Implementing strategies to manage and sustain rapid growth	(d) Focusing solely on short-term gains

3. Why is Continuous Innovation important for sustained growth?

(a) To avoid any form of change and maintain the status quo	(b) To encourage a culture of stagnation and complacency
(c) To adapt to evolving market trends and stay ahead of competitors	(d) To minimize any form of risk-taking

4. What is the primary focus of the 'Strategy' component in the 'SIX-S' Process?

(a) Short-term goals	(b) Sequencing of growth activities
(c) Sustainability of growth	(d) Setting the direction for growth

5. In the process of identifying growth opportunities, what is the significance of "Creativity and Engagement"?

(a) Developing innovative products and services	(b) Calculating financial risks
(c) Establishing legal barriers	(d) Analysing market trends

N - 2165

6. What is the role of “Competition and Cooperation” in the growth landscape?
- (a)Eliminating competitors through aggressive tactics (b)Fostering collaboration with competitors
(c)Ignoring competitive forces for better focus (d)Minimizing cooperation to maximize profits
7. What characterizes “evolutionary Growth” as a strategic thrust for growth?
- (a)Rapid and aggressive expansion (b)Gradual and incremental development
(c)Partnership with competitors (d)Focus on internal process
8. In value chain-based improvement strategies, what is the primary focus of “Horizontal Growth (Related)”?
- (a)Expanding into unrelated markets (b)Diversifying into new industries
(c)Strengthening positions in current markets (d)Creating new product lines
9. Innovation strategies focusing on creating new and unique market spaces are central to which concept?
- (a)Blue Ocean Strategy (b)Ansoff’s Model
(c)McKinsey Model (d)SWOT/TOWS Model
10. What does “Acquired Growth” involve in the context of venture strategies?
- (a)Growing through internal means (b)Sudden and radical changes in business models
(c)Expansion through acquiring existing businesses (d)Gradual and incremental development

N - 2165

11. In the context of enterprise strategies for growth, what is the focus of the “Functional” Strategy?
- (a) Overall business direction and scope
 - (b) Day-to-day operations within a specific business unit
 - (c) Corporate-level decision-making
 - (d) Identifying growth opportunities in the external environment
12. Which factor is crucial when choosing the strategic growth choice, considering internal and external factors?
- (a) Short-term profitability
 - (b) Alignment with corporate social responsibility
 - (c) Adaptability to changing market trends
 - (d) Conformity to industry norms
13. What does “Activation of Growth” involve in the staging process?
- (a) Initiating marketing campaigns
 - (b) Implementing strategies to spur growth
 - (c) Reducing employee compensation
 - (d) Maintaining a static organizational culture
14. In the context of staging growth, what is the significance of “Competitive Compensation Programs”?
- (a) Reducing overall organizational expenses
 - (b) Encouraging employee retention and motivation
 - (c) Limiting financial investments in human resources
 - (d) Ensuring uniform compensation regardless of performance
15. Why are “Change Management Tools” important in a team-based environment?
- (a) To resist any form of change
 - (b) To create confusion among team members
 - (c) To facilitate a smooth transition and adaptation to change
 - (d) To maintain the status quo

N - 2165

16. What does it mean to turn risks into opportunities in the context of growth management?
- (a) Ignoring potential risks and focusing solely on opportunities (b) Embracing risks without strategic planning
(c) Identifying and leveraging opportunities that arise from potential risks (d) Minimizing any form of risk-taking
17. What is the role of “Supportive Systems and Processes” in fostering a team-based environment?
- (a) Discouraging collaboration (b) Hindering communication flow
(c) Facilitating efficient teamwork and problem-solving (d) Promoting individualism
18. What does “Mentor for Growth (M4G)” signify in organizational development?
- (a) Avoiding mentorship programs for employees (b) Implementing a structures mentorship program to foster growth
(c) Limiting professional development opportunities (d) Ignoring the role of mentorship in employee success
19. Why is “Getting Focus and Balance” crucial for sustaining growth?
- (a) To maintain a chaotic and unorganized work environment (b) To allocate resources randomly without a strategic plan
(c) To ensure a clear direction and optimal resource allocation (d) To prioritize short-term gains over long-term goals
20. What does Excellent Management involve in sustaining growth?
- (a) Maintaining a culture of mediocrity (b) Setting low standards for organizational performance
(c) Striving for continuous improvement and achieving excellence in all aspects (d) Focusing solely on immediate profitability

N - 2165

21. According to Greiner's model of Crises induced Growth, what role do crises play in organizational development?
- (a) Crises hinder growth and should be avoided at all costs
(b) Crises are natural and essential for triggering organizational growth
(c) To coordinate and align various elements for collective growth
(d) To prioritize short-term gains over long-term goals
22. Why is it essential to synchronize efforts for growth in an organization?
- (a) To promote individualism and independent actions
(b) To ensure a chaotic and disorganized work environment
(c) To coordinate and align various elements for collective growth
(d) To discourage collaboration and team work
23. In the context of managing the momentum of growth, what characterizes "Steady Growth"?
- (a) Rapid and aggressive expansion
(b) Gradual and controlled progress
(c) Ignoring any form of change
(d) Focusing solely on short-term gains
24. In the context of managing the momentum of growth, why is having a growth-oriented mindset significant?
- (a) To limit employee enthusiasm and motivation
(b) To create a stagnant organizational culture
(c) To foster a passion for growth and continuous improvement
(d) To prioritize short-term gains over long-term goals
25. What is the primary goal of "Alert and Advancing" in managing growth momentum?
- (a) Slowing down growth efforts to avoid exhaustion
(b) Ignoring any signs of organizational fatigue
(c) Maintaining a chaotic and unorganized work environment
(d) Remaining vigilant and adapting strategies for sustained growth

N - 2165

26. In the context of the Assets and capacity domain, why is it important to manage and optimize resources?
- (a) To accumulate excess resources without strategic planning (b) To create a chaotic and unorganized work environment
(c) To ensure efficient utilization and support growth objectives (d) To prioritize short-term gains over long-term goals
27. What is a key consideration in the Finance and profitability domain for securing growth?
- (a) Ignoring financial indicators and performance metrics (b) Prioritizing short-term gains without concern for profitability
(c) Managing financial resources strategically to support growth (d) Restricting access to financial information
28. In handling the unsought consequences of growth, why is it important to be proactive?
- (a) To ignore any negative consequences and focus on positive outcomes (b) To wait until issues arise and then address them
(c) To anticipate potential challenges and take preventive measures (d) To avoid any form of change
29. In the context of managing the momentum of growth, what is the primary focus of “Speed”?
- (a) Gradual and controlled progress (b) Rapid and aggressive expansion
(c) Ignoring any form of change (d) Maintaining a stagnant organizational culture
30. What is the primary goal of “Warding off organization from Signs of Slowing and Losing”?
- (a) Embracing signs of decline as a natural part of the business cycle (b) Identifying and addressing indicators of organizational slowdown
(c) Ignoring any signs of challenges or difficulties (d) Focusing solely on immediate profitability

N - 2165

31. In the context of warding off signs of slowing, why is it important to encourage open communication within the organization?
- (a) To foster a culture of secrecy
(b) To limit information flow among employees
(c) To discourage collaboration and teamwork
(d) To identify and address challenges promptly
32. When considering internal and external factors for strategic growth choices, what does “Integration” refer to?
- (a) Limited and one-way communication
(b) Frequent, two-way communications
(c) Strict information control
(d) Minimal communication with employees
33. When considering internal and external factors for strategic growth choices, what does “Integration” refer to?
- (a) Emphasizing differentiation in the market
(b) Merging with other companies in the industry
(c) Streamlining internal operations
(d) Focusing on cost leadership

PART - B

(7 X 6 = 42)

Answer **all** questions choosing either (a) or (b).

34. (a) Explain the ‘Six-S’ process?
[OR]
(b) Discuss the entry enticements and barriers of growth.
35. (a) Elucidate the important strategies for growth?
[OR]
(b) Explain the Ansoff’s Model and ‘Mckinsey’ Model for growth strategy?
36. (a) Describe the porters generic competitive strategies model.
[OR]
(b) Give an account of the benefits of competitive compensation programs?
37. (a) Explain "Employee development plan"
[OR]
(b) Discuss the features and scope of Mentor for Growth.
38. (a) Explain the Greiner’s model of crises induced growth.
[OR]
(b) Discuss the concept of growth fatigue
39. (a) Explain the factors to secure the growth in market and competition
[OR]
(b) Enumerate the consequences of growth of an enterprise.
40. (a) Explain the role of Kaizen to sustain Enterprise growth.
[OR]
(b) Discuss the strategies for managing the enterprise growth.

N - 2165