



CRAWFORD UNIVERSITY FAITH CITY, IGBESA

TITLE OF EXAMINATION: BSc (BANKING AND FINANCE)

COLLEGE: BUSINESS AND SOCIAL SCIENCES

DEPARTMENT: ACCOUNTING AND FINANCE

**RAIN SEMESTER 2020/2021 SESSION FIN 404-CAPITAL MARKET
AND PORTFOLIO MANAGEMENT TIME ALLOWED: 2HOURS
30MINUTES**

INSTRUCTION: Answer 3 Questions Only

QUESTION ONE

- a. The term 'investment' could be associated with different activities, but the common target in these activities is to "employ" the money (funds) during a time period seeking to enhance the investor's wealth. Discuss (10marks)
- b. The Securities and Exchange Commission is a regulatory and supervisory body controlling all the affairs of capital market in Nigeria. Highlight its roles (10marks)

QUESTION TWO

- a. Explain the issue of selectivity, timing and diversification in forming an investment portfolio (10marks)
- b. Make distinctions between physical and financial assets (10marks)

QUESTION THREE

- a. What factors should an individual investor consider in determining his or her investment policy? (10marks)
- b. Treasury Bill is being referred to as a risk-free investment. Why? (10marks)

QUESTION FOUR

- a. Explain the strategic and tactical allocation of assets (10marks)
- b. What are the major differences between active and passive portfolio management (10marks)

QUESTION FIVE

Write short notes on the following:

- i. Blue Chip Stocks (4marks)
- ii. Income Stocks (4marks)
- iii. Cyclical Stocks (4marks)
- iv. Defensive Stocks (4marks)
- v. Growth Stocks (4marks)

TOTAL 60MARKS