

# INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

## SPRING SEMESTER 2009

### QUIZ No. 1

Marks: 20

#### Instructions

Submit your solution file (word documents) in the following shape/form.

Q No.	Selected option
1	b
2	a
3	d

- **No marks will be given for solutions submitted against instructions. The due of assignment is 31/03/2009.**
- Make Sure that you upload the Quiz before due date and time.
- No Quiz will be accepted through E-mail after the due date.
- Once you upload the assignment on LMS, it will not be replaced under any condition.
- Students are required to submit solution file in MS Office format.
- Quiz will cover a total of **10 Lectures from Lecture: 01 to Lecture: 10.**

1. Primary Trend in Dow theory is called as

- Tide
- Wave
- Oscillation
- None of the given options

2. A trend that defines the long-term direction for a security is called as:

- Primary Trend
- Secondary trend
- Tertiary trend
- All of the given options

3. A trend that defines the short-term direction for a security is called as:

- Primary Trend
- Secondary trend
- Tertiary trend
- All of the given options

4. Secondary trend in Dow theory is known as
- Tide
  - Wave
  - Oscillation
  - None of the given options
5. Which of the following charting price pattern depicts a significant expectation of an increase in demand for a security?
- Support
  - Resistance
  - Trend line
  - All of given options
6. \_\_\_\_\_ believes that securities are priced according to fundamental economic data.
- Fundamental analysts
  - Ratio analysts
  - Technical analysts
  - Research analysts
7. When a stock's market price breaks through its moving average line from below, a technical analyst would suggest a \_\_\_\_\_ signal.
- Buy
  - Sell
  - Hold
  - Wait and see
8. Which of the following statement is **TRUE** about return or gains in a stock exchange?
- Slow or steady returns are long lasting
  - Slow or steady returns are short lived
  - Quick returns are long lasting
  - All of the given options are true
9. Which of the following statement is **TRUE** about quick returns?
- They are long lasting
  - They are usually short lived
  - Quick returns are long lasting
  - All of the given options are true
10. When the stock price drops below the support level, it indicates a \_\_\_\_\_ signal.
- Bearish
  - Bullish
  - Neither a bearish nor bullish
  - Leading

11. Which of the following is the reason stock prices behave the way they do at resistance lines?
- Many investors want to buy at this price
  - Market makers resist moving prices lower than this price
  - Many investors want to sell at this price
  - Market makers support prices at this level
12. Which of the following statement is not a characteristic of a line chart?
- It is simplest and most familiar chart
  - It is efficient in showing more details
  - It is an extension of a scatter graph
  - It is created by connecting a series of points.
13. Black body candle in a candlestick chart depicts that the prices are moving.
- Up
  - Down
  - Constant
  - Fluctuating
14. An upward trend in share prices in a bar chart is represented by \_\_\_\_\_ color.
- Black
  - Red
  - White
  - Blue
15. Which of the following is suitable for analyzing short term investments?
- Horizontal analysis
  - Fundamental analysis
  - Ratio analysis
  - Technical Analysis
16. Which of the following is correct formula for calculating Short interest ratio?
- Total shares sold short / Total daily trading volume
  - Average shares sold short / Average daily trading volume
  - Total shares sold short / Average daily trading volume
  - None of given options
17. Financial assets are divided in to which of the following three broad categories?
- Money market securities, long-term debt and equity
  - Corporate securities, derivatives and equity
  - Debt, equity and derivatives
  - All of the given options

18. Which of the following deals with the issuance of new securities?
- Primary market
  - Secondary market
  - Third market
  - Fourth market
19. Which of the following are regarded as low-priced, speculative and risky securities?
- Income stocks
  - Penny stocks
  - Defensive stocks
  - Cyclical stocks
20. Companies that have capitalization amounts between \$500 million and \$2billion are known as \_\_\_\_\_.
- Small cap companies
  - Mid cap companies
  - Growth companies
  - Large cap companies

**THE END**

**BEST OF LUCK!**