

# KAMARAJ COLLEGE (Autonomous)

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(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

(4 Pages)

Reg. No: .....

Question Code No : 26E00110

Course Code : 24USEC21 /25USEC21

UG Degree - End Semester Examinations, April 2026

Second Semester

B.A. ECONOMICS

Economics For Investors

(For those who joined in July 2024 and June 2025 onwards)

Time : 3Hours

Maximum : 75 Marks

## PART - A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer :

- CO:1 1. The distributional role of investment mainly focuses on\_\_\_\_\_
- K:1 (a) Increasing inflation (b) Equal distribution of income and wealth
- (c) Reducing production (d) Increasing imports
- CO:1 2. \_\_\_\_\_ shows the relationship between income and wealth
- K:2 (a) Wealth is a flow (b) Both are flows
- (c) Income is a flow and (d) Both are stocks  
wealth is a stock
- CO:2 3. Investment made directly in business or productive assets is called\_\_\_\_\_
- K:1 (a) Portfolio investment (b) Direct investment
- (c) Speculative investment (d) Indirect investment
- CO:2 4. Mutual funds mainly help investors by\_\_\_\_\_
- K:2 (a) Eliminating risk (b) Providing professional fund management completely
- (c) Offering fixed returns (d) Avoiding market exposure

- CO:3 5. Futures and options are mainly used for\_\_\_\_\_
- K:1 (a) Speculative (b) Hedging risk  
(c) Long - term savings (d) Fixed income
- CO:3 6. The money market primarily deals with\_\_\_\_\_
- K:2 (a) Long-term capital (b) Short-term capital  
(c) Equity shares (d) Fixed assets
- CO:4 7. Per capita income is calculated as
- K:1 (a) National income  $\div$  population (b) GDP  $\div$  population  
(c) Total savings  $\div$  income (d) Total exports  $\div$  imports
- CO:4 8. Global recession primarily affects investors through:
- K:2 (a) Increased profits (b) Stable markets  
(c) Reduced economic activity and uncertainty (d) Higher employment
- CO:5 9. Income earned regularly from an investment is called\_\_\_\_\_
- K:1 (a) Capital gain (b) Cash flow  
(c) Speculation profit (d) Risk premium
- CO:5 10. Asset management mainly aims at\_\_\_\_\_
- K:2 (a) Maximising risk (b) Minimizing returns  
(c) Balancing risk and return (d) Eliminating uncertainty

**PART - B (5 X 5 = 25 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 250 words.**

- CO:1 11. (a) List down the importance of savings and investment in the  
K:3 development of individuals.

**(OR)**

- (b) Distinguish between income and wealth with suitable examples.

C0:2 12. (a) Explain insurance and mutual funds as modern investment  
K:3 avenues.

**(OR)**

(b) Illustrate the traditional investment avenues.

C0:3 13. (a) Differentiate between primary market and secondary  
K:4 market.

**(OR)**

(b) Describe the functions of the capital market.

C0:4 14. (a) Analyse the impact of unemployment and taxation on  
K:4 investment decisions.

**(OR)**

(b) Distinguish between influence of political and social environment on investment.

C0:5 15. (a) Analyze the importance of risk distribution on investment  
K:4 planning.

**(OR)**

(b) Explain the asset management and its objectives.

**PART – C (5 X 8 = 40 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 500 words.**

C0:1 16. (a) Evaluate the role of savings and investment in individual and  
K:4 economic development.

**(OR)**

(b) Analyze the meaning, types, and importance of savings and investment.

C0:1 17. (a) Evaluate modern investment avenues such as direct  
K:5 investment, portfolio investment, insurance, and mutual funds.

**(OR)**

(b) Design a balanced investment portfolio using modern investment instruments.

C0:3 18. (a) Evaluate the role of money market and bond market in  
K:5 financial system.

**(OR)**

(b) Analyze the structure and functions of capital market and share market.

C0:3 19. (a) Evaluate the impact of international economic environment  
K:5 on investors.

**(OR)**

(b) Suggest strategies for investors to manage investments during global recession and oil market wars.

C0:4 20. (a) Evaluate the risk–return relationship in asset accumulation  
K:6 strategies.

**(OR)**

(b) Construct an effective asset management and risk distribution strategy for a long-term investor.