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# DMI-ST. EUGENE UNIVERSITY

ZAMBIA

DEGREE EXAMINATION – JUNE 2024

Semester: VII

551/552 MG 73 INVESTMENT MANAGEMENT

Time: 3:00 Hours

Max. Marks: 100

Answer any FIVE Questions (5 x 20 = 100 Marks)

1. a) Write short notes on the 2 types of assets. (4 Marks)  
b) Give reasons why it's important for any person to invest in securities/assets? (12 Marks)  
c) Differentiate Gambling from investment. (4 Marks)
2. a) What is the meaning of an implied warranty? (2 Marks)  
b) Elaborate on the 3 main fundamental factors that affect the performance of a stock price. (6 Marks)  
c) What does it mean for markets to be efficient? (6 Marks)  
d) Briefly explain on any 3 types on income that are taxed in Zambia. (6 Marks)
3. a) Define a Multifactor Model. (2 Marks)  
b) Explain why a portfolio is vital for any investor? (12 Marks)  
c) What criteria's are used in the selection of securities for a portfolio? (6 Marks)
4. a) What is a passive strategy? (2 Marks)  
b) Elaborate on the 4 strategies used to manage a bond portfolio. (12 Marks)  
c) What are Pension Funds and how are they invested? (6 Marks)
5. a) What is a mutual fund? (2 Marks)  
b) Elaborate on the role of the IMF. (12 Marks)  
c) Briefly elaborate on Zambia's recent debt restructuring process. (6 Marks)
6. a) What is the difference between a lending and borrowing portfolio? (2 Marks)  
b) Explain the significance of portfolio management. (12 Marks)

- c) Write short notes on the following portfolio evaluation models. **(6 Marks)**
  - i. Jensen model
  - ii. Treynor Ratio model
- 7. a) What is the purpose of project portfolio management software? **(2 Marks)**
- b) As an owner of a multinational company, why would you consider investing in international funds and how will the exchange rate affect your investment? **(12 Marks)**
- c) What is the purpose of portfolio management and function of a portfolio manager in an insurance company? **(6 Marks)**