

BA 3rd Year Regular Investment Decision and Portfolio Management

1. Explain the following statement: “Whereas a bond contains a promise to pay interest, a share of common stock typically provides an expectation of, but no promise of, dividends plus capital gains.”
2. Write out and explain the valuation formula for a constant growth stock.
3. Why some risk diversifiable? Why is some risk not diversifiable?
4. Explain how one would find the value of a supernormal growth stock.
5. If you bought a share of common stock, you would typically expect to receive dividends plus capital gains. Would you expect the distribution between dividend yield and capital gains to be influenced by the firm’s decision to pay more dividends rather than to retain and reinvest more of its earnings?
6. What is the Role of Stock Exchanges in African continent?
7. Describe Government Securities market in Ethiopia and Primary and Secondary markets in Ethiopia.
8. Explain the Growth of Ethiopian Treasury Bill Market and functioning.
9. Write out different mutual fund schemes, Key financial numbers.
10. Write about the equity Culture and Equity Research in Ethiopia
11. Write Investment- Orientation of Mutual fund Schemes, Open-ended Vs closed ended schemes, Load and No load funds.