



MBA DEGREE EXAMINATIONS: NOV / DEC 2024

(Regulation 2021)

Third Semester

MASTER OF BUSINESS ADMINISTRATION

P21MBE0157: Mutual Funds

COURSE OUTCOMES

- CO1:** Explain the basics of mutual funds and its management of funds.
CO2: Assess the types and evaluation of mutual fund products.
CO3: Outline the legalities, accounting, and taxation aspects of mutual funds.

Time: Three Hours

Maximum Marks: 100

PART A (5Q x 6M = 30 Marks)

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| 1. | Explain the structure of a mutual fund and the roles of its key constituents: Sponsor, Trustee, and AMC. | CO1 [K ₂] |
| 2. | What role does the SEBI play in regulating the filing of an Offer Document? | CO1 [K ₁] |
| 3. | Explain the role of "benchmarking" in the context of mutual fund performance evaluation. | CO2 [K ₂] |
| 4. | Explain how market conditions impact mutual fund returns. | CO3 [K ₂] |
| 5. | Compare between Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP). | CO3 [K ₂] |

PART B (5Q x 10M = 50 Marks) Answer Any Five Questions only

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| 6. | Explain the importance of AUM (Assets Under Management) and its significance for investors and fund managers. | CO1 [K ₂] |
| 7. | What is the Scheme Information Document (SID)? Explain its purpose and the kind of information it provides to investors. | CO1 [K ₂] |
| 8. | Appraise the relationship between risk and return in mutual funds. How is risk-adjusted return calculated, and why is it important for evaluating the performance of mutual funds? | CO2 [K ₅] |

9. Explain how to evaluate balanced mutual funds. Discuss the factors such as asset allocation, risk-return ratio, and historical performance that should be considered in the evaluation. CO2 [K₅]
10. Explain the tax applicability for mutual fund investors in India. Discuss the different tax implications for equity funds and debt funds, and how long-term and short-term capital gains are treated. CO3 [K₅]
11. Assume you have ₹10 lakhs to invest and would like to set up a financial plan that includes regular investments (SIP), transfers between funds (STP), and withdrawals (SWP) over the next 10 years. Assess a plan explaining how you would use SIP, STP, and SWP to achieve your financial goals, considering risk tolerance and tax efficiency. CO3 [K₅]

Part – C (1*20=20 marks) Compulsory

12. You have invested in an equity mutual fund with an AUM of ₹500 crore. The fund's NAV has recently dropped by 5% due to market volatility. Discuss how marking to market affects the NAV and what role fund managers play during such market conditions. Also, assess how running expenses would influence your returns during such periods. CO1 [K₄]
