

THE INSTITUTE OF BANKERS, BANGLADESH (IBB)

96th Banking Professional Examination, 2023

AIBB

Investment Banking (IB)

Subject Code :

2	1	3
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Time—3 hours

Full marks—100

Pass marks—45

[N.B. The figures in the right margin indicate full marks. Answer any five questions.]

- | | Marks |
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| 1. (a) What is investment banking? 12 | 3 |
| (b) Discuss the functions of investment banking? | 10 |
| (c) Define risk and return? Explain the relationship between risk and return. | 7 |
| 2. (a) How can you define capital market? | 5 |
| (b) Do you think that the capital market theory is an extension of portfolio theory? Put argument for or against it. | 7 |
| (c) How Capital Asset Pricing Model (CAPM) is constructed for portfolio decisions? | 8 |
| 3. (a) What do you mean by the term "forecasting"? | 4 |
| (b) Describe in details the different tools of forecasting? | 6 |
| (c) Discuss how good macro-economic forecast could be of significant value to the investor of capital market? | 10 |
| 4. (a) What is meant by fixed income securities? Mention some types of fixed income securities? | 5 |
| (b) Distinguish between bond and equity securities? | 5 |
| (c) What is meant by mutual fund? Discuss the advantages of mutual fund investment? | 10 |
| 5. (a) Explain the importance of income statement to the investors. 8 | 7 |
| (b) How balance sheet can be a useful tool for security analysis? | 7 |
| (c) What does the investors should look into in the cash flow statement for investment decision making? | 6 |

[Please turn over

	Marks
6. (a) What is meant by security valuation? Mention basic elements of security valuations?	5
(b) Explain the valuation process of bond?	5
(c) At which price you will be willing to purchased a bond haring the following information : (i) Per value Tk. 1,000 (ii) Annual coupon payment 10% (iii) Maturity period 03 years (iv) Required rate of return 5% (show your calculation)	10
7. (a) Explain the key factors to be considered in industry analysis for investment decisions.	8
(b) Analyze the following methods of industry analysis : (i) Competitive Forces Model (Porters' 5 forces) (ii) Broad Factors Analysis (PEST) analysis (iii) SWOT analysis.	12
8. (a) Define the term "Equity Research.	4
(b) Discuss the various methods of forecasting share prices in short run and long run period?	8
(c) Define portfolio management. Mention the assumptions of portfolio management.	8
9. (a) Distinguish investment and speculation.	4
(b) What factors might an individual investor take into account in determining investment policy?	6
(c) Explain the differences between : (i) Money market and capital market (ii) Primary market and secondary market	10
10. Write short notes on the following (any five) :	4×5=20
(a) Green Bond	
(b) Repurchase Agreements	
(c) Commercial Paper	
(d) Venture Capital	
(e) SUKUK	
(f) Weak and Strong Form of Market Efficiency	
(g) Defensive Stocks	
(h) EIC Analysis	
(i) Asset-Backed Securities (ABS)	
(j) Treasury Bill.	