



# **SEBI- GRADE A**

## **MUTUAL FUNDS PRACTICE QUESTIONS**



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**Q.1) Which of the following are not the features of Close Ended Mutual Funds-**

- 1. There is a fixed corpus of fund involved and the redemption period is also fixed.**
- 2. They are listed on a stock exchange for trading purpose.**
- 3. Two values available namely NAV and the Market Trading Price.**
- 4. They are more liquid as compared to the Open ended funds.**

**Codes:**

- [a] 4 only**
- [b] 3 & 4 only.**
- [c] 1 & 4 Only.**
- [d] None of the above**

**Q.2)The Scheme where investment targets of these mutual funds are judicious mix of both the fixed income securities like bonds and debentures and also sound equity scrips is known as-**

- [a] Growth schemes**
- [b] Income schemes**
- [c] Hybrid Schemes**
- [d] Special schemes**

**Q.3) ----- is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund and trades like a common stock on a stock exchange.**

- [a] Money Market mutual funds**
- [b] Debt Linked Mutual funds**
- [c] Equity oriented Mutual funds**
- [d] Exchange Traded funds**

**Q.4) Identify the mutual funds which invest in companies engaged in scientific and technological research such as birth control, anti-pollution, oceanography etc.**

**[a] Sectoral Mutual funds**

**[b] Funds of funds**

**[c] Off shore funds**

**[d] New direction Funds**

**Q.5) An investment strategy which considers the fundamental factors driving individual stock performance before considering the economic prospectus which affect the industry and within which the company operates is -**

- [a] Trading Up strategy**
- [b] Bottom up investing**
- [c] Top down investing**
- [d] Mixed investing**

**Q.6) Which of the Following are not the risks or demerits of Investing into mutual funds-**

- 1. Excessive diversification of portfolio, losing focus on the securities of the key segments.**
- 2. Too much concentration on blue-chip securities which are high priced and which do not offer more than average return.**
- 3. Necessity to effect high turnover through liquidation of portfolio resulting in large payments of brokerage and commission.**
- 4. Professional Management/planning of investment with maximum scope for returns.**

**Codes:**

- [a] All of the above**
- [b] 2 & 4 only**
- [c] 3 only**
- [d] 4 only**