SEBI- GRADE A
MUTUAL FUNDS
PRACTICE QUESTIONS
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