

**THE INSTITUTE OF BANKERS PAKISTAN**  
**ISQ Examination (Winter-2010)**  
**CAPITAL MARKETS**  
**Associateship**

- Q.1 Please write the alphabet of the selected choice in the answer column:**
- Q.2 State True or False in the answer column. Give brief reason for your selection at the space provided below the question:**
- Q.3 Fill in the blanks:**
- Q.4 What are essential differences between primary and secondary securities? Why are these instruments important to the operation of the financial system?**
- Q.5 Discuss the problems and issues in financial analysis. What guidelines would you follow in financial statement analysis?**
- Q.6 You have recently been appointed chief investment officer of a major charitable foundation. Its large endowment fund is currently invested in a broadly diversified portfolio of stocks (60 %) and bonds (40 %). The foundation's board of trustees is a group of eminent individuals whose knowledge of modern investment theory and practice is superficial. You decide a discussion of basic investment principles would be helpful.**
- Explain the concepts of: specific risk, systematic risk, variance, covariance, standard deviation, and beta as they relate to investment management.**
- Q.7 The Government of Pakistan (GOP) is a major stakeholder in Pakistan's capital market. Discuss the role of GOP in developing the capital market.**
- Q.8 (A) What is a mutual fund?**
- (B) Distinguish between open-end and closed-end mutual funds.**
- (C) What is NAV and how is it determined?**
- (D) Briefly discuss the regulation of mutual funds in Pakistan.**

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