

THE INSTITUTE OF BANKERS PAKISTAN
ISQ Examination (Winter-2011)
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 factors do technical analysis and fundamental analysis focus on while valuing stocks?
- Q.5** What important functions does the financial system of money and capital markets perform in an economy?
- Q.6** What is a *call privilege*? Why is this privilege an advantage to a security issuer and a disadvantage to a buyer of financial instruments?
- Q.7** Critically examine the role of SECP in developing Debt Market in Pakistan.
- Q.8** Suppose there are two stocks A and B, and three states of the economy as follows:

State of Economy	Probability of State of Economy	Rate of Return	
		Stock A	Stock B
Recession	.20	-.15	.20
Normal	.50	.20	.30
Boom	.30	.60	.40

Suppose you have Rs 20,000 total. If you put Rs 15,000 in Stock A and the remainder in Stock B, what will be the expected return and standard deviation of your portfolio? Show your working.

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