



Name :

Roll No. :

Invigilator's Signature :

**CS / MMA / SEM-3 / MMA(FNE)-309 / 2011-12
2011**

TECHNICAL & CREDIT ANALYSIS

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) A pennant formation indicates
 - a) discretion of the same trend whether bullish or bearish
 - b) continuation of the same trend whether bullish or bearish
 - c) the price fluctuation during the course of a particular formation
 - d) a nosedive.



- ii) Common reversal patterns are
 - a) head and shoulders
 - b) double bottom formation
 - c) triple top formation
 - d) continuous fall.
- iii) The mathematical indicators are all *except*
 - a) simple moving average
 - b) exponential moving average
 - c) MACD
 - d) none of these.
- iv) A downward price trend is expected to continue in its downward direction if
 - a) the volume levels are higher on the downward legs of the trend
 - b) the volume levels are lower on the upward legs of the trend
 - c) the upward legs act as the corrective mechanism
 - d) all of these.



- v) Ideal strategy would be
- a) to use fundamental analysis for identifying the undervalued / overvalued securities
 - b) to use technical analysis
 - c) to choose the best time for buying / selling of securities
 - d) all of these.
- vi) The market value of the scrip is determined by
- a) the interaction of demand and supply
 - b) the present status of the stock market
 - c) the number of floating shares
 - d) the dividend declared by the company.
- vii) Violation of a trend line means
- a) moving away from the trend line
 - b) changing the direction
 - c) penetration of the trend line
 - d) cutting the rising trend line from above.



viii) A support level exists

- a) at a price fixed by the stock exchange brokers
- b) at a price fixed by the regulatory authority of the stock exchanges
- c) at a price where considerable demand is created
- d) at a lower price, at which the stock is available.

ix) Which of the following is **not** a part of technical analysis ?

- a) Put/call ratio
- b) PE ratio
- c) Trim ratio
- d) Breath ratio.

x) Which of the following is **not** a part of bar chart ?

- a) Close price
- b) Open price
- c) High price
- d) Low price.

xi) Which shows the trader's opinion about the market ?

- a) Leading indicators
- b) Breath indicators
- c) Sentiment indicators
- d) Moving averages.

xii) Which is **not** a part of candle stick chart ?

- a) Shadows
- b) Body
- c) Volume of trading
- d) Opening price.

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GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. What is the difference between technical analysis and fundamental analysis ?
3. Explain the limitations of fundamental analysis.
4. What is logarithmic and arithmetic scaling in chart construction ?
5. What are the different strategies for moving averages ?
6. Why is credit ranking important for a firm ?

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. a) What is the utility of chart is Technical analysis ?
b) What are the different patterns that can be established in candle stick charting ? $3 + 12$
8. a) What do you mean by resistance and support ?
b) What are volume oscillators ? What decisions are derived from volume oscillators ? $8 + 7$

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9. a) Calculate the breadth of the market from the following information :

DAY	ADVANCES	DECLINES
Tuesday	630	527
Wednesday	690	475
Thursday	746	424
Friday	492	630
Monday	366	701
Tuesday	404	698

- b) Calculate the Chaikin Money Flow from the following information :

DATE	HIGH	LOW	CLOSE	VOLUME
05/01/92	8.6250	8.3125	8.6250	4494
05/04/92	8.6250	8.4375	8.5000	2090
05/05/92	8.6250	8.4375	8.6250	1306
05/06/92	8.7500	8.6250	8.7500	4242
05/07/92	8.7500	8.4375	8.5000	2874
05/08/92	8.5625	8.5000	8.5000	598
05/11/92	8.5000	8.1875	8.3125	2668
05/12/92	8.3125	8.0000	8.0000	190008
05/13/92	8.0625	8.0000	8.0625	6712
05/14/92	8.0625	7.9375	8.000	1924

6 + 9



10. Write short notes on any *three* of the following : 3×5

- a) Bollinger Bands
- b) Relationship between yield and price of a bond
- c) Industry risk in reference to the textile industry
- d) Yield to call
- e) Interest rate risk and default risk.

11. a) What is a yield curve ? Explain the liquidity preference theory.

- b) How have the BASEL norms affected the Indian Banking system ? $8 + 7$

12. a) Calculate RSI from the data given below :

DAY	CLOSING PRICE
1	142
2	144
3	148
4	152
5	155
6	153
7	150
8	148
9	144
10	142
11	140
12	142
13	144
14	146
15	149

- b) Explain MACD. What are the market indicators ?

$10 + 5$

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13. a) "The market is always considered as having three movements, all going at the same time." Explain with graphical representation.

b) What are the price indicators of market ? Explain each of them. 10 + 5

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