	Utech
Name:	
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Invigilator's Signature :	

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:

 $10 \times 1 = 10$

- 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.

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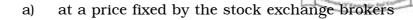
- ii) Common reversal patterns are
 - a) head and shoulders
 - b) double bottom formation
 - c) triple top formation
 - d) continuous fall.
- iii) The mathematical indicators are all except
 - a) simple moving average
 - b) exponential moving average
 - c) MACD
 - d) none of these.
- iv) A downward price 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.

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CS/MMA/SEM-3/MMA(FNE)-309

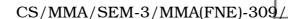
- v) Ideal strategy would be
 - a) to use fundamental analysis for identifying the undervalued / overvalued securities
 - b) to use technical analysis
 - c) to choose the best time for buying / selling of securites
 - d) all of these.
- vi) The market value of the scrip is determined by
 - a) the interaction 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



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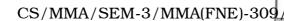
9. a) Calculate the breadth of the market from the following information :

DAY	ADVANCES	VANCES 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.
 - 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

- 13. a) "The market is always considered as having three movements, all going at the same time." Explain wih graphical representation.
 - b) What are the price indicators of market? Explain each of them. 10 + 5

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