TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Accounting & Finance

UNIVERSITY EXAMINATION FOR:

BACHELOR OF SCIENCE IN MATHEMATICS AND FINANCE

4350: INVESTMENT AND EQUITY ANALYSIS

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME: 2 HOURS

DATE: Pick Date Apr2025

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

Question ONE

a) Discuss the key objectives of a Financial System of a given country. (10 Marks)

b) Highlight four principal weaknesses of equity markets in your country. (4 Marks)

c) Explain the meaning of the following terms used in time-in-force designations:

i. Fill or kill (2 Marks)
ii. All or nothing (2 Marks)
iii. Good-till-cancelled (2 Marks)

e) What are financial intermediaries? Explain four classes of financial intermediaries. (10 Marks)

Question TWO

a) Describe five external factors that could affect an industry's growth, profitability and risk (12 Marks)

b) Porter’s 5 Forces Analysis has become a frequently used tool for analyzing a company's industry structure and its corporate strategy. Discuss the model and its contributions. (8 marks)

Question THREE

a) Discuss five stages of an industry life cycle model (10 Marks)

b) An asset is expected to generate a cash flow of sh. 1,000 in one year, sh. 1,500 in two years, and sh. 2,000 in three years. Using a 10% discount rate, calculate the value of this asset today. (6 Marks).

c) In relation to technical analysis, explain the term “Elliot wave theory” . (6 Marks).

Question FOUR

a) Define Efficient Market Hypothesis (EMH). Discuss three forms of market efficiency. (12 Marks)

b) Evaluation is a core aspect for entities to realize their wealth. Analyze the applications of equity valuation. (8 Marks)

Question FIVE

a) With reference to industry, analyze the concept of technical analysis. (6 Marks)

b) Digitization is quickly taking over finance in a variety of ways that are saving the industry millions and automating time-consuming tasks. Discuss the emerging trends in the field of Investment and Equity. (14 Marks)