**College of Administrative and Financial Sciences**

**Assignment -2**

 **Academic Year: 1441/1442 H**

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| Course Name: **Investments** | Student’s Name: |
| Course Code: FIN403 | Student’s ID Number: |
| Semester: **2nd** | CRN: 21946 |

**For Instructor’s Use only**

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| Instructor’s Name: |
| Students’ Grade: Marks Obtained/Out of | Level of Marks: High/Middle/Low |

**Instructions – PLEASE READ THEM CAREFULLY**

* The Assignment must be submitted on Blackboard (**WORD format only**) via allocated folder.
* Assignments submitted through email will not be accepted.
* Students are advised to make their work clear and well presented, marks may be reduced for poor presentation. This includes filling your information on the cover page.
* Students must mention question number clearly in their answer.
* Late submission will NOT be accepted.
* Avoid plagiarism, the work should be in your own words, copying from students or other resources without proper referencing will result in ZERO marks.
* All answered must be typed using **Times New Roman (size 12, double-spaced)** font.
* Submissions without cover page will NOT be accepted.

**Assignment 2**

**Place of Submission: Students Grade Centre via blackboard.**

**Weight: 05 Marks**

**Assignment Purposes/Learning Outcomes:**

**CLO-3. Demonstrate investment arrangements as part of the process for implementing an investment strategy. ( PLO-2.2)**

**CLO-4. Demonstrate the valuation methods used for valuation of the common forms of debt, equity, property and derivative securities.( PLO-2.3).**

**Assignment Question(s): (Marks 5)**

**Q.1. Why would a corporate investor consider preferred stock over a bond? What is meant by the cumulative feature of preferred stock issues? ( 2 Marks)**

**Q.2.** **What does the strong form of the efficient market hypothesis suggest? Are major test results generally supportive of the strong form? ( 2 Marks )**

**Q.3. What might a high dividend-payout ratio suggest to an analyst about a company’s growth prospects? ( 1 Mark)**

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