



Core Unit 4

Financing and Investing for Retirement Provision

Assignment 4

(Part 4 Investment Types and Part 5 Investment Strategy and Governance)

Recommended Time: 1 hour

1. Briefly describe the distinction between ordinary and preference shares. Give an overview of the different types of markets available for trading in equities, commenting on:
 - UK and overseas markets
 - primary and secondary markets.

10 marks

2. Describe the different types of bonds issued by governments and companies.

10 marks

3. What is meant by a derivative? Outline the key features of:
 - futures
 - forwards
 - options
 - swaps

10 marks

4. What are the objectives of an absolute return fund? Outline the main features of the following:
 - diversified growth funds
 - long/short funds

10 marks

5. Lifestyling and target date funds are both used in defined contribution schemes. Outline their purpose and how they both operate.

10 marks