



ZIMBABWE EZEKIEL GUTI UNIVERSITY

COLLEGE OF LIFELONG LEARNING

EXAMINATION PAPER

MODULE CODE : DMF125
MODULE TITLE : OPERATIONS AND PORTFOLIO
MANAGEMENT
DURATION : 2 Hours
LEVEL : 1.1
DATE : 28 NOV 2025

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed
3. Answer **Question 1** and any other **TWO** in Section B.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []
6. Show all workings, where applicable.

SECTION A (Compulsory)

Question 1: Technical Analysis using Moving Averages

The closing prices of a stock over 5 days on the Victoria Falls Stock Exchange are:

Day	Closing Price
1	100
2	102
3	104
4	106
5	108

Required:

- a) Calculate the 3-day moving average for Day 3, 4, and 5. **[6 marks]**
- b) Plot the price and moving average trend. **[4 marks]**
- c) Explain how moving averages help in identifying buy/sell signals. **[4 marks]**
- d) Analyse the limitations of using moving averages in volatile markets. **[6 marks]**

SECTION B (Choose one question)

Question 3

- a. Explain the role of brokers, clearing houses, and depositories in the settlement process of stock exchanges. **[10 marks]**
- b. Describe the role of government securities low-risk investments in a diversified portfolio. **[10 marks]**

Question 4

With reference to Zimbabwean markets, critically evaluate the three forms of the Efficient Market Hypothesis (EMH). **[20 marks]**

Question 5

a. Differentiate between speculation and gambling in financial markets.

[10 marks]

b. Explain the role of time value of money in influencing asset selection during investment planning.

[10 marks]

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