

SUBJECT – TECHNICAL ANALYSIS FOR FINANCIAL MARKETS

SUBJECT CODE – 407 FIN

Date : 12-05-2026

Pattern : 2024

Duration : 150 min

Max Marks : 50

Instructions for students :

- Marks are indicated for each question.
 - Handwriting should be eligible for evaluation.
 - Marks will be given for quality, not quantity.
 - Each question carries 10 marks.
 - All questions are compulsory.
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Q.1] Answer the following (Any 5 out of 8)

- a) Define 'Price discounts everything' in Technical Analysis.
- b) Identify the pattern: A candlestick with long lower shadow and small body near top.
- c) State any two limitations of Dow Theory.
- d) What does RSI value above 70 indicate?
- e) Define Risk-Reward Ratio.
- f) Identify the candlestick pattern formed when the open and close prices are almost equal and discuss its market implication.
- g) Calculate the Risk-Reward Ratio if Stop Loss is ₹95, Entry Price is ₹100, and Target Price is ₹112.
- h) State any two differences between Simple Moving Average (SMA) and Exponential Moving Average (EMA).

Q.2] Short notes (Any 2 out of 3) :

- a) Compare Bullish and Bearish trends with suitable diagrams.
- b) Explain Support & Resistance and their role in trading decisions.
- c) Discuss importance of Volume and Open Interest in confirming trends.

Q.3] a) Explain Dow Theory in detail and evaluate its relevance in modern markets.

OR

- b) Explain major candlestick patterns and analyze their impact on trading decisions.

Q.4] a) The following are closing prices of a stock (₹): 100, 102, 104, 103, 105.
Calculate 5-day Simple Moving Average and interpret trend.

OR

b) Given RSI values for a stock overtime: 30, 45, 55, 72, 80.
Analyze the signals and suggest trading action.

Q.5 a) Design a short-term trading strategy using RSI and Moving Average indicators.

OR

b) Case Study:

A stock shows Head & Shoulder pattern formation with declining volume. RSI is below 40. Analyze the situation and recommend Buy/Sell/Hold strategy with justification.
