

15.4

TM244755N

Reg. No :

Name :

MASTER'S DEGREE (C.S.S) EXAMINATION, MARCH 2024

2022 ADMISSIONS REGULAR

SEMESTER IV - M. A. Economics

EC4E07TM20 - Financial Economics

Time : 3 Hours

Maximum Weight : 30

Part A

I. Answer any Eight questions. Each question carries 1 weight

(8x1=8)

1. Explain Cost of Capital.
2. Explain the different types of Annuities.
3. Define real interest- rate parity.
4. Differentiate between Preferred Stock and Common Stock.
5. Explain Rate of Return?
6. Explain Industry life cycle.
7. Examine the difference between CML and SML.
8. Examine the basic techniques for reducing risk.
9. Hedging.
10. Commodity future.

Part B

II. Answer any Six questions. Each question carries 2 weight

(6x2=12)

11. What is discounting? Examine the Types of Discount Rates.
12. How taxes influence investment decisions.
13. Examine the behavior of bond prices over time.
14. Examine Multi-Period Dividend Discount Model.
15. What are the different types of financial analysis.?
16. What do you mean by trade deficit ?
17. Briefly explain Efficiency Management Hypothesis
18. Examine Hedging.

Part C

III. Answer any Two questions. Each question carries 5 weight

(2x5=10)

19. Discuss in detail the A life cycle model of saving, social security and deferring taxes through voluntary retirement plans.
20. Examine Valuation of Preference and Common stocks with respect DDM.
21. Briefly explain Sharpe Single Index Model
22. What are options?

