



MAR IVANIOS COLLEGE (AUTONOMOUS)
THIRUVANANTHAPURAM

Reg. No. :

Name :

Sixth Semester B.A. Degree Examination, April 2018

First Degree Programme under CBCSS

Core Course: Economics – XII

AUEC642: Financial Economics

(Common for **Regular** – 2015 and **Reappearance** – 2014 Admn.)

Time: 3 Hours

Max. Marks: 80

SECTION – A

Answer **ALL** the following terms each in one or two sentences.

1. Repo rate
2. Merchant banking.
3. Demat share.
4. BSE.
5. Currency Swap.
6. Call option.
7. Risk
8. P/E ratio.
9. Scheduled banks
10. Treasury Bills

(10 × 1 = 10 Marks)

SECTION – B

Write short notes on any **EIGHT** of the following, not exceeding a paragraph.

11. Distinguish between Treasury Bills and Commercial Bills.
12. Differentiate primary market and secondary market.
13. What is depository system?
14. What is SENSEX?
15. Define hedging.
16. What is the role of under writers in primary market?

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17. Name different instruments in derivatives market.
18. Define risk-return trade off.
19. Examine the lender of the last resort function of RBI.
20. What are cooperative banks?
21. What are NPAs?
22. Define SLR.

(8 × 2 = 16 Marks)

SECTION – C

*Short essay type: Answer any **SIX** questions, each not to – exceed one and a half page.*

23. Examine features and functions of money market.
24. Which are the different methods of New issue?
25. Examine the major tenets of the Dow Theory.
26. Examine the functions of SEBI.
27. Explain briefly on OTCEI.
28. Elucidate the structure of commercial banking in India.
29. Which are the major institutions rendering depository services in India?
30. What is risk? Which are the different types of risks?
31. Examine the major banking sector reforms after 1991.

(6 × 4 = 24 Marks)

SECTION – D

*Long essay type: Answer any **TWO** questions, each not exceeding three pages.*

32. Examine the structure of capital market.
33. Which are the major NBFIs operating in the country?
34. What are derivatives ? Examine different types of derivatives.
35. Examine the different money market instruments.

(2 × 15 = 30 Marks)