



K25P 0816

Reg. No. :

Name :

IV Semester M.A. Degree (CBCSS – OBE – Regular) Examination, April 2025
(2023 Admission)

ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT ECONOMICS
MADCO04E10/MAECO04E10/MAACO04E10 : Financial Economics

Time : 3 Hours

Max. Marks : 60

PART – A

Short Answer Questions. Answer **any 5**. Each question carries **3** marks.

1. Define Financial Economics.
2. What do you mean by Time Value of Money ?
3. Give a note on Systematic Risk.
4. Briefly explain Investment Process.
5. What is Corner Portfolio ?
6. Explain Sharpe's Performance Index.

(5×3=15)

PART – B

Short Essay Questions. Answer **any 3**. Each question carries **6** marks.

7. Write down the main features of money market.
8. Explain risk diversification and write down its merits.
9. Give a detailed explanation on the various phases of portfolio management.
10. Point out various market indicators that are used in forecasting stock performance.
11. List out the different types of investors in the financial markets.

(3×6=18)

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PART – C

Essay Questions. Answer **any 3**. Each question carries **9** marks.

12. Write an essay on the various types of risk.
13. Briefly explain about Portfolio Analysis.
14. Explain Black-Scholes Model.
15. Critically examine the Markowitz's model.
16. Briefly explain the mechanics of Option Trading.

(3×9=27)