

QP CODE: 24900080



Reg No:.....

Name:.....

**MAHATMA GANDHI UNIVERSITY, KOTTAYAM**  
**FIRST SEMESTER MGU-UGP (HONOURS) REGULAR**  
**EXAMINATION NOVEMBER 2024**

**First Semester**

**Multi-Disciplinary Course - MG1MDCECO100 - ECONOMICS AND FINANCE IN**  
**EVERYDAY LIFE**

(2024 ADMISSION ONWARDS)

Duration: 1.5 Hours

Maximum Marks: 50

**Remember (K), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create (C), Interest (I),  
Appreciation (Ap), and Skill (S)**

*Students should attempt atleast one question from each course outcome to enhance their overall  
outcome attainability.*

[Learning Domain][CO No(s)]

**Part A**

**Short Answer Type Questions**

Answer 10 questions each question carries 2 marks

- |    |   |      |     |
|----|---|------|-----|
| 1  | What is Price to Earnings (PE) ratio?   | [K]  | [3] |
| 2  | What is Return on Equity?   | [U]  | [3] |
| 3  | Identify the factors used to calculate your credit score  | [K]  | [6] |
| 4  | Discuss diversification in investment   | [U]  | [6] |
| 5  | Describe the advantages of savings over investment  | [U]  | [5] |
| 6  | Analyse the impact of inflation on investment   | [An] | [5] |
| 7  | List out the key characteristics of rational decision making.   | [K]  | [1] |
| 8  | Suppose a country has limited resource. Analyse the economic decision to<br>prioritize healthcare over entertainment. | [A]  | [1] |
| 9  | Describe rational factors affecting decision making   | [K]  | [1] |
| 10 | What are the methods used in Neuroeconomics.  | [U]  | [2] |
| 11 | Why is Altruism important in Economics?   | [A]  | [2] |
| 12 | What factors affect happiness economics?  | [An] | [2] |
| 13 | What do you mean by Impulsive buying behaviour  | [U]  | [4] |
| 14 | What is addiction? Give an example for it   | [U]  | [4] |
| 15 | Mention briefly about the meaning of loss aversion in prospect theory   | [K]  | [4] |

(10 × 2 = 20)

### **Part B**

#### **Short Essay Questions**

Answer 6 questions each question carries 5 marks

- |    |   |      |     |
|----|---|------|-----|
| 16 | Outline the Importance of KYC Norms in Financial Institutions   | [K]  | [6] |
| 17 | Examine the need for financial planning and budgeting   | [An] | [6] |
| 18 | Describe the different factors that determine interest rate in an economy                                 | [U]  | [5] |
| 19 | Evaluate the importance of opportunity cost in financial decision making.                                 | [E]  | [1] |
| 20 | What is the certainty effect under Prospect theory?   | [K]  | [3] |
| 21 | How will the making of budget help to prevent the Impulsive spending or buying behaviour                  | [An] | [3] |
| 22 | Explain the different ways to reduce or control the risk of falling victim to phishing and spear phishing | [U]  | [4] |
| 23 | Explain the risks involved in Money chains and Ponzi schemes  | [An] | [4] |
| 24 | Explain the impact of asymmetric information on decisions.  | [U]  | [1] |
| 25 | Analyze the opportunity cost of investing in bonds versus equities.                                       | [An] | [1] |

(6 × 5 = 30)

**END OF THE QUESTION PAPER**

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