

QP CODE: 26019223



Reg No :

Name :

MA DEGREE (CSS) EXAMINATION, MARCH 2026

Fourth Semester

M A ECONOMICS

ELECTIVE - EC820401 - FINANCIAL ECONOMICS

2019 Admission Onwards

CBF76A45

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

*Weight **1** each.*

1. What are the advantages of studying Time Value of Money?
2. Explain real rate of interest.
3. What is annualized capital cost?
4. What is Triangular Arbitrage?
5. What is value stock?
6. What is a financial statement?
7. What is risk diversification?
8. Explain the concept of portfolio analysis.
9. List out some of the macro economic factors in APT.
10. Explain forward contracts.

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

*Weight **2** each.*

11. How to calculate present values by the method of discounting?





12. Explain briefly the approach for maintaining the same level of consumption spending before and after retirement.
13. Define bond? What are its features?
14. Explain the barometric or indicator approach to economic forecasting.
15. Explain the Random Walk Theory.
16. Explain cumulative wealth index. How it is calculated?
17. Discuss in detail the Capital Asset Pricing Theory.
18. Describe briefly the short hedge and the long hedge.

(6×2=12 weightage)

Part C (Essay Type Questions)

*Answer any **two** questions.*

*Weight **5** each.*

19. Explain the concept of industry life cycle. Describe the different stages in the industry life cycle.
20. Define risk. Explain the different types of risk.
21. What are the steps involved in the traditional portfolio theory?
22. "Options and futures are zero-sum games." What do you think is meant by this?

(2×5=10 weightage)

