

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,
NUVEM-GOA**

SEMESTER END EXAMINATION, NOVEMBER-DECEMBER 2022

Semester : III of B.A

Course Title / Course Code: Financial Economics - I / ECS103

Total marks: 80 Date: 06/12/2022 Duration: 2 hrs Total No of pages:01

Instructions: 1. All questions are compulsory

2. Figures to the right indicate marks.

Q1. Answer any four of the following questions: - (4X4=16)

- i. Define investment and state its objectives.
- ii. Highlight the merits of investing in financial assets.
- iii. Explain the types of mutual funds.
- iv. Outline the merits of investing in preference shares.
- v. Write a note on 'Corporate bonds'.
- vi. Distinguish between government bonds and public sector bonds.

Q2. Answer any four of the following questions: - (4X4=16)

- i. Distinguish between systematic risk and unsystematic risk.
- ii. Summarise the loanable fund theory.
- iii. Explain the factors influencing market rate of interest.
- iv. Define financial ratios and state its importance.
- v. Explain the merits of acid test ratio.
- vi. Write a note on 'turnover ratios'.

Q3.A. Evaluate non-financial forms of investment. (12)

OR

Q3.B. Explain the nature of investment. (12)

Q4.A. Discuss the various types of money market securities. (12)

OR

Q4.B. Explain the structure of money market. (12)

Q5.A. Solve the following: (6X2=12)

- i. If you wish to accumulate \$150,000 in 12 years, how much must you deposit today in an account that pays an annual interest rate of 11%?
- ii. What will \$250,000 grow to be in 9 years if it is invested today in an account with an annual interest rate of 11%?

OR

Q5.B. Explain the impact of inflation on returns of investment. (12)

Q6.A. Discuss the different types of leverage ratios. (12)

OR

Q6.B. Discuss the various types of liquidity ratios (12)