Registration Number:

Date & Session:12-12-2022



**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

**M.A ECONOMICS – III SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**EC 9522: FINANCIAL ECONOMICS**

**Time: 2 ½ Hours Max Marks: 70**

**This paper contains 1 printed page and 3 parts**

**Part A**

1. **Answer any 5 of the following (2x5=10)**
2. What is the continuity axiom?
3. Briefly explain the different types of lottery.
4. What is a coupon bond?
5. Explain factor replicating portfolio with suitable examples.
6. Mention the functions of SEBI.
7. What are derivatives? List its types.
8. What is a primary market?

**Part B**

1. **Answer any 3 of the following (10x3=30)**
2. Explain Allais paradox.
3. What are the different project evaluation techniques?
4. Write a short note on debt overhang problem.
5. Briefly explain the different money market instruments in India.
6. Write a note on the global financial crisis of 2008.

**Part C**

1. **Answer any 2 of the following (15x2=30)**
2. State and prove the expected utility theory.
3. Write a note on agency cost of outside equity and debt.
4. Enlist the assumptions and explain the CAPM. What according to you is the major criticism against this model?