

**MASTER OF BUSINESS ADMINISTRATION IN  
FINANCIAL MARKETS (MBAFM)**

**Term-End Examination**

**December, 2012**

**MCT-071 : ECONOMICS FOR THE FINANCIAL  
MARKETS**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt any five questions. All questions carry equal marks.*

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1. Explain the importance of study of monetary policy. 20
2. Distinguish between debt and equity markets. 20
3. Explain the principles of investment for maximising shareholders wealth. 20
4. Write notes on the following : 20
  - (a) Fundamental determinants of growth.
  - (b) Standard normal distribution.
5. Explain the concept of efficient market hypothesis with examples. 20

6. Explain Money multiplier model and discuss its relation with inflation. 20
7. Write notes on the following : 20
- (a) Balance of payments
  - (b) Futures and Options
8. Write notes on the following : 20
- (a) Off balance sheet activities
  - (b) Transaction cost
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