

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

00910

Term-End Examination

June, 2013

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

Time : 3 hours

Maximum Marks : 100

Note : (i) Answer any five questions.

(ii) Each question carries 20 marks.

1. What is the importance of studying about Money, Banking and Financial markets ? **20**
2. Describe the evolution of Payment Systems. Explain how it is important for the Financial System ? **20**
3. Explain the concept of multiple cash flows. What are the techniques in multiple-period analysis ? **20**
4. (a) Distinguish between real and nominal interest rates. **10x2=20**
(b) Does higher rate of growth of money supply lower interest rates ?

5. (a) How are the security prices set by the markets ? $10 \times 2 = 20$
- (b) How do you compute the price of a common stock ?
6. Write short notes on the following : $10 \times 2 = 20$
- (a) World Stock Markets
- (b) Stock Market Indexes
7. (a) Describe the structure of non-banking financial companies. $10 \times 2 = 20$
- (b) What are their main functions ?
8. (a) What is the theory of asset demand ? $10 \times 2 = 20$
- (b) What are the determinants of asset demand ?
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