18. (a) Discuss the different types of debentures.

Or

(b) Explain the corporate financing pattern in India.

19. (a) What is financial statement analysis explain its types?

Or

(b) What is financial forecasting? Importance of financial forecasting?

20. (a) Examine the concepts of working Capital.

Or

(b) Explain the limitation of working capital.

PART C — (3 × 10 = 30)

Answer any THREE questions.

21. Discuss the Objectives and Scope of Financial Economics.

22. Explain the concept of present value and future value.

23. Explain the types of financial statement analysis.

24. Difference between trend analysis and ratio analysis.

25. Explain the factors affecting working capital.

(For candidates admitted from 2022–2023 onwards)

M.A. DEGREE EXAMINATION, NOVEMBER 2023.

Economics / Applied Economics – Elective

FINANCIAL ECONOMICS

Time : Three hours Maximum : 75 marks

PART A — (20 marks)

Answer ALL questions.

I. (A) Choose the correct answer : (5 × 1 = 5)

1. The financial sector reforms initiated in India in

(a) 1998 (b) 1980

(c) 2007 (d) 1991

2. The basic financial statement includes

(a) Statement of cash flows

(b) Statement of Retained Earnings

(c) Balance sheet and income statement

(d) All of the above

3. Time value of money indicates that

(a) A unit of money obtained today is worth more than a unit of money obtained in future

(b) A unit of money obtained today is worth less than a unit of money obtained in future

(c) There is no difference in the value of money obtained today and tomorrow

(d) None of the above

4. Treasury bills are?

(a) Issued on a premium basis and pay a fixed annual interest rate

(b) Issued on a discount basis and mature at par

(c) Issued on a premium basis and pay mature at par

(d) Issued on a discount basis and pay a fixed annual interest rate

5. Bank overdraft as per cash book is a ________

(a) Debit balance (b) Credit balance

(c) Cash balance (d) Favourable balance

(B) Fill in the Blanks (5 × 1 = 5)

6. Cash flow statement classifies cash flows on the basis of ________.

7. Sources and uses of funds statements are examined as part of ________

8. Long term finance is required for ________.

9. The capital market consists of ________

10. The market value of the firm is the result of ________.

II. Answer ALL questions (5 × 2 = 10)

11. What is Time value of money?

12. What is cash flow statement?

13. Define long term sources of finance.

14. What is a financial statement?

15. How do you calculate working capital?

PART B — (5 × 5 = 25)

Answer ALL questions, choosing either (a) or (b).

16. (a) What is financial system? Explain its functions?

Or

(b) Explain the elements of corporate finance.

17. (a) What is the present and future value of annuity?

Or

(b) What is Present Value and explain the features of Present Value?