



বিদ্যাসাগর বিশ্ববিদ্যালয়  
**VIDYASAGAR UNIVERSITY**

**Question Paper**

**B.Sc. Honours Examinations 2020**

(Under CBCS Pattern)

**Semester - V**

**Subject: ECONOMICS**

**Paper: DSE2T**

**Full Marks : 60**

**Time : 3 Hours**

*Candidates are required to give their answer in their own words as far as practicable.*

*The figures in the margin indicate full marks.*

**POLITICAL ECONOMY - I**

Answer any *three* from the following questions :

3×20

1. Discuss the capitalist development in the pre-second world war period.
2. Explain the difference between fordist and post-fordist production system.
3. Explain briefly financial liberalization and financial crisis.
4. Discuss the effects of globalization on growth and equality.

5. Explain different issues of environmental sustainability.
6. What are the features of welfare state ? What are the limitations of the welfare state.

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## MONEY AND FINANCIAL MARKETS

Answer any *three* from the following questions : 3×20

1. What is High Powered Money ? Why is  $M_2$  considered a broader concept of money supply than  $M_1$  ? How can you calculate Money Multiplier ? Explain how the money supply in an economy depends on the components of Money Multiplier. 3+4+3+10
2. Discuss the roles of financial institutions in an economy. Site examples of different types of financial institutions in India. Explain two problems of asymmetric information related to financial institutions. How can asymmetric information lead to financial crisis ? 6+4+5+5
3. Explain the necessity of a steady capital and money market for the development of an economy. Discuss the differences between share and debenture. Discuss the role of stock exchange and name three famous stock exchanges of the world. Briefly discuss the different forms of financial derivatives. 5+5+5+5
4. What do you mean by interest rate differential ? Explain four major sources of interest rate differential in India. Explain briefly the liquidity preference theory. Explain the different shapes of the Yield Curve. 2+8+5+5
5. Explain the different components of the Balance Sheet of commercial banks. Define Non-Performing Assets of a bank. Discuss the objectives for a sound portfolio management of banks. Discuss the four main functions of commercial bank in recent India. 7+3+6+4
6. Explain the different functions of central banks. Discuss about the different instruments of monetary control of the central bank in this respect. Discuss how the roles and structures of the banking system changed in India since 1981. 5+5+10

## FINANCIAL ECONOMICS

Answer any *three* from the following questions :

3×20=60

1. Explain the evolution of limited liability companies. Write a brief note about security markets. 10+10
  2. Critically describe the Markowitz model to analyse the mean-variance portfolio. 20
  3. Briefly describe the Capital Asset Pricing Model (CAPM). What are the uses of the CAPM model in investment analysis and as a pricing formula ? 12+8
  4. Describe the features of various kinds of financial derivatives. 20
  5. Write about the capital structure and the cost of capital in corporate finance. In this regard explain Modigliani-Miller Theorem. 8+12
  6. Explain the features of an option contract. Explain with a suitable illustration the options trading in shares. 8+12
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