

**Code: 12E01306c**

MBA (Finance) III Semester Regular & Supplementary Examinations November/December 2017

**FINANCIAL ENGINEERING**

(For students admitted in 2013, 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

Answer any FIVE questions  
All questions carry equal marks

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- 1 (a) In what way can the relationship of risk and return be established?  
(b) Most investors are risk averse. Elaborate.
- 2 Explain in detail financial engineering processes and strategies.
- 3 What is time value of money? How do you calculate cash flows under sensitivity analysis?
- 4 (a) Systematic risk cannot be controlled but unsystematic risk can be reduced. Elaborate.  
(b) What are zero coupon securities, hybrid and equity related securities?
- 5 Explain the reasons and techniques used in corporate restructuring.
- 6 Explain the role of investment banker in Asset/Liability management.
- 7 Explain the role of financial engineering in monetary policy of micro computers in relation to stock exchanges.
- 8 What is a promissory note? Explain the difference with bill of exchange.

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