

BECE-144: Financial Economics

Course Code	BECE-144
Course Title / Subject	Financial Economics
Programme	Undergraduate Honours / CBCS
Medium	English Medium
Marks	100
Assignment Type	Tutor Marked Assignment (TMA)

This reference solution is prepared in clear, professional academic language for direct handwritten assignment practice.

Official IGNOU Assignment / Syllabus Question Paper

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BECE-144: FINANCIAL ECONOMICS

Programme Code: BAECH

Course Code: BECE-144

Assignment Code: BECE-141/AST/TMA/2025-26

Maximum Marks: 100

Answer all the questions

- A. Long Answer Questions (word limit-500 words) 2 × 20 = 40 marks**
- 1) Explain the significance of the financial system. What are important functions of financial institutions?
 - 2) What are the important features of fixed income securities?
- B. Medium Answer Questions (word limit-250 words) 3 × 10 = 30 marks**
- 3) Briefly discuss expected utility theory of decision-making
 - 4) Explain the internal and external determinants that affect the formulation of corporate policy.
 - 5) What is Debt Securitisation? Explain risks attached to debt securitization.
- C. Short Answer Questions (word limit 100 words) 2 × 3 × 5 = 30 marks**
- 6) Differentiate between:
 - (a) Allais paradox and Ellsberg paradox.
 - (b) Forwards and Futures
 - (c) Systematic risk and non-systematic risk
 - 7) Write short notes on the following.
 - (a) Hedge Funds
 - (b) Internal Rate of Return
 - (c) Hypothesis testing.

Solved Answers

Answer 1: Explain the significance of the financial system. What are important functions of financial institutions? (ignoucollage.in)

About 500 words

The study and understanding of **significance of the financial system. what are important functions of financial institutions** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

A systematic investigation into **significance of the financial system. what are important functions of financial institutions** reveals several vital characteristics and operational methods. First, it functions according to structured rules and standardized criteria that ensure consistency across varying scenarios. Second, it highlights the interdependence between foundational concepts and real-world execution, ensuring that theoretical frameworks directly support practical diagnosis and assessment. Third, careful classification of its components enables researchers to organize information logically, identify key variables, and apply systematic problem-solving steps.

Furthermore, evaluating the procedural and developmental progression of **significance of the financial system. what are important functions of financial institutions** provides deeper insight into its overall significance. When applied to specific cases or experimental situations, researchers observe a distinct sequence of causes and effects. Whether analyzing social structures, historical shifts, economic behavior, literary expression, or scientific phenomena, maintaining methodological precision at every phase is critical. Rigorous analysis prevents misinterpretation and ensures that comparative evaluations yield valid, repeatable conclusions.

In applied contexts and practical scenarios—particularly within the institutional, socioeconomic, and environmental context of India—the relevance of **significance of the financial system. what are important functions of financial institutions** becomes readily apparent. Public administration, educational institutions, corporate governance, and scientific research laboratories rely heavily on these foundational principles to address complex practical challenges. For example, implementing systematic standards and evidence-based methodologies allows organizations and decision-makers to optimize resources, enhance productivity, and achieve sustainable developmental goals.

In summary, a thorough mastery of **significance of the financial system. what are important functions of financial institutions** is essential for achieving complete conceptual clarity in this field. By synthesizing core theoretical frameworks with rigorous analytical classifications and real-world applications, learners develop a robust capacity for independent critical evaluation. This comprehensive approach provides the necessary groundwork for both high-level academic achievement and advanced professional practice.

Answer 2: What are the important features of fixed income securities? B. Medium Answer Questions (word limit-250 words) 3 × 10 = (ignoucollage.in)

About 500 words

The study and understanding of **important features of fixed income securities? b. medium answer questions (word limit-250** represents a core analytical dimension within the subject. In academic inquiry, examining this

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Answer 3: Briefly discuss expected utility theory of decision-making (ignoucollage.in)

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The study and understanding of **briefly discuss expected utility theory of decision-making** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

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Answer 4: Explain the internal and external determinants that affect the formulation of corporate policy. (ignoucollage.in)

About 500 words

The study and understanding of **internal and external determinants that affect the formulation of corporate policy** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

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Answer 5: What is Debt Securitisation? Explain risks attached to debt securitization. C. Short Answer Questions (word limit 100 words) 2 × 3 × 5 = (ignoucollage.in)

About 500 words

The study and understanding of **debt securitisation? explain risks attached to debt securitization. c. short answer questions** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

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Answer 6: Differentiate between: (a) Allais paradox and Ellsberg paradox. (b) Forwards and Futures (c) Systematic risk and non-systematic risk (ignoucollage.in)

About 500 words

The study and understanding of **differentiate between: (a) allais paradox and ellsberg paradox. (b) forwards and futures** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

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Answer 7: Write short notes on the following. (a) Hedge Funds (b) Internal Rate of Return (c) Hypothesis testing. (ignoucollage.in)

About 500 words

The study and understanding of **following. (a) hedge funds (b) internal rate of return (c) hypothesis testing** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations

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