

(6 pages)

Reg. No. : .....

**Code No. : 7677**

**Sub. Code : ZBAE 43**

M.B.A. (CBCS) DEGREE EXAMINATION,  
APRIL 2023.

Fourth Semester

Business Administration

Elective – BEHAVIOURAL FINANCE

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Utility refers to the total \_\_\_\_\_ received from consuming a goods or service
- (a) Revenue
  - (b) Satisfaction
  - (c) Profit
  - (d) Sales

2. The most popular types of investment company is a \_\_\_\_\_
- (a) Unit investment
  - (b) Mutual fund
  - (c) Closed end investment
  - (d) Real estate investment
3. Which of the following is the function of financial market?
- (a) Mobilization of saving
  - (b) Price fixation
  - (c) Provide liquidity to financial assets
  - (d) All of the above
4. The highest level of market efficiency is \_\_\_\_\_
- (a) Weak form efficiency
  - (b) Semi-strong form efficiency
  - (c) Random walk efficiency
  - (d) Strong form efficiency
5. Which of the following are the instrument of money market?
- (a) call money
  - (b) certificate
  - (c) both (a) and (b)
  - (d) trade bills

Page 2

**Code No. : 7677**





6. Which of the following is the function of financial market?
- (a) Mobilization of saving
  - (b) Price fixation
  - (c) Provide liquidity to financial assets
  - (d) All of the above
7. A types of decision-making environment is
- (a) Certainty
  - (b) Uncertainty
  - (c) Risk
  - (d) All of the above
8. Exponential discounting implies that the \_\_\_\_\_ rate of substitution between consumption at any pair of points
- (a) Marginal
  - (b) Opportunity cost
  - (c) Minimal
  - (d) None of these
9. Which of the following do not fall under systematic risk?
- (a) Market risk
  - (b) Interest Rate risk
  - (c) Purchasing power risk
  - (d) Financial Risk

Page 3      Code No. : 7677

10. Which of the following is a trait?
- (a) Cardinal
  - (b) Control
  - (c) Primary
  - (d) Secondary traits

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 250 words.

11. (a) Explain the various branches of behavioural finance.

Or

- (b) Describe the two pillars of behavioural finance.

12. (a) Discuss the two types of utility theory.

Or

- (b) Evaluate the main cause of market inefficiencies.

13. (a) State the objectives of portfolio management.

Or

- (b) Write a short notes on (i) Market hypothesis  
(ii) Market efficiency.

Page 4      Code No. : 7677  
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14. (a) List out the features of dividend policy.

Or

- (b) Elaborate the different types of capital structure.

15. (a) What are the factors affect risk attitude?

Or

- (b) Explain the various types of risk attitude.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Enumerate the concept of behavioural finance.

Or

- (b) What are the stages of investment cycle?

17. (a) Describe the various types of utility function.

Or

- (b) Explain the major components of risk and uncertainty indecision.

18. (a) Discuss the functions of financial market.

Or

- (b) Enumerate the different types of Assets management.

19. (a) Elaborate the factors that affect dividend policy.

Or

- (b) Examine the main types of factors and investment behaviour.

20. (a) How to develop a risk-taking attitude?

Or

- (b) Briefly explain the main model of personality traits.
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