



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **FIN1613 Financial Institutions and Markets**
 Trimester & Year : January – April 2019
 Lecturer/Examiner : Leow Hon Wei
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:
 - PART A (25 marks) : Answer all THREE (3) short answer questions. Answers are to be written in the Answer Booklet provided.**
 - PART B (75 marks) : Answer all FOUR (4) structured answer questions. Answers are to be written in the Answer Booklet provided.**
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
- This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
- Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 3 (Including the cover page)

Question 1

Provide **TWO (2)** benefits of financial markets for a country's economy?

(6 marks)

[Total: 6 marks]

Question 2

Discuss **TWO (2)** roles of bank as financial institutions that fuel the economic growth of a nation.

(10 marks)

[Total: 10 marks]

Question 3

Explain **THREE (3)** important of debt instruments.

(9 marks)

[Total: 9 marks]

[Total: 25 marks]

Question 1

Analyse when interest rate rise, how might businesses and consumers change their economic behavior.

(15 marks)

[Total = 15 marks]

Question 2

Fiscal policy was used alongside the monetary policy to control and contain the global financial crisis of 2007. Discuss how the government adjusts its spending and tax rates in fiscal policy.

(15 marks)

[Total = 15 marks]

Question 3

Explain the reason of central banks are more proactive at trying to use monetary policy to eliminate asset-price bubbles.

(15 marks)

[Total = 15 marks]

Question 4

(a) Explain what will be happen to interest rate if the public suddenly expects a large increase in stock prices.

(15 marks)

(b) Explain the changes of the interest rate if prices in the bond market become more volatile.

(15 marks)

[Total: 30 marks]

[Total = 75 marks]