



**FACULTY OF BUSINESS**

**FINAL EXAMINATION**

Student ID (in Figures) : 

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Student ID (in Words) : \_\_\_\_\_  
\_\_\_\_\_

Course Code & Name : **FIN1613 FINANCIAL INSTITUTIONS and MARKETS**  
Semester & Year : SEPTEMBER – DECEMBER 2020  
Lecturer/Examiner : MR.RAVINDRAN RAMAN  
Duration : 3 Hours

---

**INSTRUCTIONS TO CANDIDATES**

1. 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) structure answer questions. Answer are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorised materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. 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.
4. 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)**

**PART A : SHORT ANSWER QUESTIONS (25 MARKS)**

**INSTRUCTION (S)** : Answer all **THREE (3)** questions. Write your answers in the answer booklet(s) provided.

---

**Question 1**

Briefly define the following terms in the perspective of financial institutions and markets:

(a) Surplus Unit (3 marks)

(b) Deficit Unit (3 marks)

(c) Securities (3 marks)

**(Total 9 marks)**

**Question 2**

Explain **FOUR (4)** types of capital market securities.

**(Total 8 marks)**

**Question 3**

Discuss **TWO (2)** crucial role played by financial institutions in a county.

**(Total 8 marks)**

**(Total 25 marks)**

**END OF PART A**

**PART B : STRUCTURED ANSWER QUESTIONS (75 MARKS)**

**INSTRUCTION (S) :** Answer all **FOUR (4)** questions. Write your answers in the answer booklet(s) provided.

---

**Question 1**

Discuss **FIVE (5)** types of major impacts that might arise due to changes of interest rate in a country's economy.

**(Total 20 marks)**

**Question 2**

Controlling and managing money supply is an important activity in the economy of a country like Malaysia. Discuss **FOUR (4)** appropriate measures taken by Bank Negara Malaysia to conduct an efficient money supply in the country.

**(Total 20 marks)**

**Question 3**

Distinguish the differences between a mortgage and hire purchase. Provide an example of an asset which is purchased under each type of the loan which is offered a financial institution.

**(Total 15 marks)**

**Question 4**

(a) Define a fixed-rate mortgage and explain how does it operates.

(5 marks)

(b) Describe **FIVE (5)** characteristics of a corporate bond which are traded in the bond market.

(15 marks)

**(Total 20 marks)**

**END OF QUESTION PAPER**