

- 2 hours exam. The time is limited. Manage your time well.
- A numerical answer without explanation is not counted.
- **Marks will depend on the quality of the explanation.**
- The exam paper consists of **FIVE** questions (approximately). Candidates must answer **all questions**.
- The last three pages are “given formulas”, “PVIF table”, “PVIFA table”.
- You can separate the last three sheets (given formulas, PVIF table and PVIFA table) from the rest.
- Officially, a pencil is not allowed for writing texts.

- Candidates are allowed to bring into the examination room: simple calculators, scientific calculators (hand held, containing no textual information).
- **Financial calculators are not allowed.**
- You can write at the back of the page if you need more space. Indicate clearly at the front of the page if you continue writing at the back of the page.
- Potentially, more marks are allocated for essay questions than calculation questions.

Tentative Mark Allocation

Topic	Marks (approx.)
1. Introduction to Financial Markets	3
2. Debt Market and Structure of Interest Rate 2.1 Measuring Interest Rate 2.2 Nominal and Real Interest Rate 2.3 Behaviour of Interest Rate 2.4 Structure of Interest Rate	24
3. Mean-Variance Analysis and 4. CAPM and APT (Partial)	13
Full Marks	40

**5 Questions (Approx), 2 Hours, A simple calculator is allowed.
Show the present value factors from the present value tables.**