

Final Exam : Mark Allocation

Chapter	Marks	# Questions
4. CAPM and APT	11	2
4.1 CAPM	8	1
4.2 APT	3	1
5. Bank Management	8	1
6. Theory of Financial Intermediation	13	2
6.1 Shortcomings of direct finance	4	1
6.2 Confidentiality and The Banking Relationship	(6.1+ 6.2 = 4 marks)	(6.1+6.2 = 1 question)
6.3 Financial Intermediation as Delegated Monitoring		
7. Convexity, Excessive Risk, Agency Cost of Debt Finance	7	1
8. The Diamond-Dybvig model of bank runs	11	1
Total	50	7

- Simple calculators and Scientific calculators are allowed. Advanced scientific calculators are not allowed. Financial calculators are not allowed. Calculators must contain no formula, no programming or no textual information. Programmable calculators are not allowed.
- There are 7 questions (you must do all questions), 13 pages including the cover (approx.) . A question may have more than one part.
- You have 3 hours. Plan to manage time well. The time is very limited.
- I suggest you not to enter the exam room late. Be punctual. We will start at 9.00 hr. and finish at 12.00 hr.
- You can write at the back of the page if you need more space. Please indicate clearly at the front of the page if you continue writing at the back.
- In my opinion, exam questions are straight forward. Do not worry too much.
- The question may specify how many decimal places to round. Please do accordingly.
- You may use a pencil. Please make sure that it is dark enough (2B up to 6B should be fine).
- Homework 5 (return) is available for you to collect at BE study room.
- I may announce more information (if any, if it is necessary) on the moodle.
- Good Luck. Relax.