

Trim: June – Sep 24			
Maximum Marks: 50	Examination: ETE Exam	Date: 02-12-24	Duration: 02 hrs
Programme code: 15		Class: FY	Semester/Trimester: I
Programme: Ph D			
College: K. J. Somaiya Institute of Management		Name of the department/Section/Center:	
Course Code: 117D18E103		Name of the Course: Empirical Research in Finance	
Instructions: Question no 6 is compulsory Solve any Four from 1-5 questions			

Question No.		Max. Marks
1	Sharpe, W. F. (1964). "Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk" This paper presents the CAPM, which describes the relationship between systematic risk and expected return, and explains the types of risk and cost of equity under CAPM.	10
2	Jensen M C & Meckling (1976) discussed agency cost and conflict of interest between managers and shareholders. With reference to this paper explain agency cost and corporate governance.	10
3	Suggest 3-4 topics for the research paper using the Random Walk theory or the efficient market hypothesis.	10
4	Consider an investor presented with two options for investing in a mutual fund: <ul style="list-style-type: none"> ● Option A: "Invest now and gain a guaranteed return of 10%." ● Option B: "Invest now with a 50% chance of gaining 20% and a 50% chance of gaining nothing." Under which finance theory will you study the investor's behavior towards investment?	10
5	Write short notes on – (any two) Resource Based Theory MM propositions of capital structure Earnings Management	10
6	Select a finance theory study in the course and design a research proposal that tests its applicability in an emerging market context. What empirical methods would you use, and what hypotheses would you formulate?	10