

Financial Economics

1 What is meant by Financial economics?

Meaning: It is a branch of Economics characterized by a concentration on Monetary activities in which money of one type or another is likely to appear on both sides of trade.

2 Define Financial Economics

It analyses the use and distribution of resources in markets in which decisions are made under uncertainty financial decisions must often take into account future events, whether those be related to individuals

3 What is meant by Risk?

Risk involves uncertainty about the effects of an activity with respect to something that human values (such as health, property and environment) often focusing on negative environment.

4 What is meant by returns?

It is also known as a financial return .it is the money made or lost on an investment over some period of time.

5 What is meant by cash flow?

Amount of cash or cash equivalent which the company receives or gives out by the way of payment to

Creditors is known as cash flow.

6 What is meant by debt?

It is an amount of money borrowed by an party from another A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at later date.

7 What is meant by Financial Modelling ?

Financial Modelling is the process of creating a summary of company's expenses and earnings in the form of a spreadsheet that can be used to calculate the impact of a future event or decision.

Define capital Market

The part of financial system concerned with raising capital by dealing in shares ,bonds and other long term investment

C.M. is the market where buyers and sellers engage in trade of financial securities like bonds stocks etc. the buying and selling is undertaken by participants such as individuals and institutions.

