



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
MARCH 2025 SEMESTER**

COURSE CODE : EGB20403
COURSE NAME : CAPITAL MARKET AND FINANCIAL INSTITUTIONS
PROGRAMME NAME : BACHELOR OF SCIENCE (HONOURS) IN
ANALYTICAL ECONOMICS
DATE : 28 JUNE 2025
TIME : 2.00 PM – 5.00 PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
 2. This question paper has information printed on both sides of the paper.
 3. This question paper consists of **TWO (2)** sections; **Section A** and **Section B**.
 4. Answer **ALL** questions in **Section A** and **Section B**.
 5. Please answer your questions in the answer booklet provided.
 6. All questions must be answered in **English** (any other language is not allowed).
 7. This question paper must not be removed from the examination hall.
-

THERE ARE TWO (2) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

SECTION A (Total: 40 marks)**INSTRUCTION: Answer ALL questions.****Please use the answer booklet provided.****Question 1**

Explain the role of financial institutions in supporting firms, households, and governments.

(10 marks)

Question 2

Using graphical illustrations, explain the financial risks encountered by investors in bonds, the stock market, productive investments, gold, and cryptocurrencies.

(10 marks)

Question 3

Explain mathematically the impact of inflation on both the present value and future value of money, utilising the nominal interest rate and inflation rate as the primary reference in your analysis.

(10 marks)

Question 4

What are the factors that need to be taken into account before making any investment decisions? Explain briefly.

(10 marks)

SECTION B: ESSAY QUESTIONS (Total: 60 marks)

INSTRUCTION: Answer ALL questions

Please use the answer booklet provided.

Question 5

Define cryptocurrencies and provide an explanation of their underlying mechanisms. Discuss their advantages and disadvantages.

(20 marks)

Question 6

Based on your research, evaluate whether cryptocurrencies can function as a supplementary component of Malaysia's capital markets.

(20 marks)

Question 7

What are the primary factors investors should consider when investing in cryptocurrencies? Provide more detailed explanation.

(20 marks)

END OF EXAMINATION PAPER