

2016**INTEGRATED M.Phil. & Ph.D. PROGRAMME****1st Semester Examination****COMMERCE****CORPORATE GOVERNANCE AND****BEHAVIOURAL FINANCE****PAPER—COM-114***Full Marks : 50**Time : 2 Hours*

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

1. Answer *any four* questions from the following : 5×4
- (a) Where is the knowledge of Behavioural Finance applied? 5
- (b) Discuss the concept of behavioural finance as developed by Traversky and Kahneman. 5

(Turn Over)

(c) What are the different types of calendar anomalies ?
Explain the January effect in the stock market.

2+3

(d) What is fundamnetal anomaly ? How to Dividend Yield
and Price earning ratio anomalies affect stock market ?

1+2+2

(e) Define Corporate Governance. Explain why corporate
governance is needed over and above the provisions
in the Companies Act.

2+3

(f) What is 'Adverse Selection'? Give examples. 5

(g) Distinguish between Shareholder Model and
Stakeholder Model of Corporate Governance. What
are the limitations of Stakeholder Model ? 3+2

(h) Define Independent Director. State the provisions
regarding Independent Directors under Clause 49 as
revised by SEBI. 2+3

2. Answer *any two* questions from the following : 10×2

(a) What is bubble in the stock market ? What are the
stages of bubble in stock market ? How can one
identify bubble before it bursts ? 2+4+4

(b) Write short notes on the following issues in relation to behavioural finance : $2\frac{1}{2} \times 4$

(i) Heuristics.

(ii) Framing.

(iii) Biases.

(iv) Technical anomaly in stock market.

(c) Explain the significance of corporate shareholding pattern in the context of corporate governance reforms. 10

(d) How does Agency Theory explain conflicts between corporate managers and shareholders? How do you propose to resolve those conflicts? 5+5

[Internal Assessment : 10 Marks]
