

Assignment (1)
FTN 300- Summer 2020

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Submission Date: 26/06/2020

Mark Template:

No. Q	Base Mark	Graded Mark	Comments
Q1	5	5	
Q2	5	5	
Q3	5	5	
Q4	5	5	
Q5	10	10	
Result / 30		30	Excellent work & well organized

Note: List your references at the end of the assignment.

Note: The assignment should be submitted as a word document. (Hand writing is not accepted), you can use this document.

Submission date: 26/6/2020

Penalty on late submission: 5 marks

Assignment 1:

Q1: Many people believe that, despite ongoing financial innovations, cash will always be with us to some degree as a form of money. What Core Principle cash will always be with us to some degree as a form of money could justify this view?



Core Principle 3: Information Is the Basis for Decisions.

Information plays a key role in other parts of the financial system as well. Many types of transactions are arranged so that the buyer doesn't need to know anything about the seller. When merchants accept cash, they don't need to worry about the customer's identity. When stocks change hands, the buyer doesn't need to know anything about the seller, or vice versa. Stock exchanges are organized to eliminate the need for costly information gathering, facilitating the exchange of securities. In one way or another, information is the key to the financial system.

Because the transaction has done the buyer take the goods or services and the seller got the money cash at the same time.

If the payment in lone or credit needs to make paper or answer questions about the buyer to get the payment of the transaction .

Q2: Name two distinct financial markets and describe the kind of asset traded in each.

stock market

The stock market is a place where just about anyone can make an investment into a company by buying "shares." Buying a share makes you a partial owner in a company, although you won't get to make decisions about how the business is run. Once a business is listed on a stock market and investors start buying shares, you can imagine that the business is broken up into thousands of tiny parts

The asset of this market is equities (stocks)

Bond market

The bond market offers opportunities for companies and the government to secure money to finance a project or investment. In a bond market, investors buy bonds from a company, and the company returns the amount of the bonds within an agreed period, plus interest.

The asset of this market is fixed income (bonds, lone)

Q3: When you apply for a loan, you are required to answer lots of questions. Why? Why is the set of questions you must answer standardized?



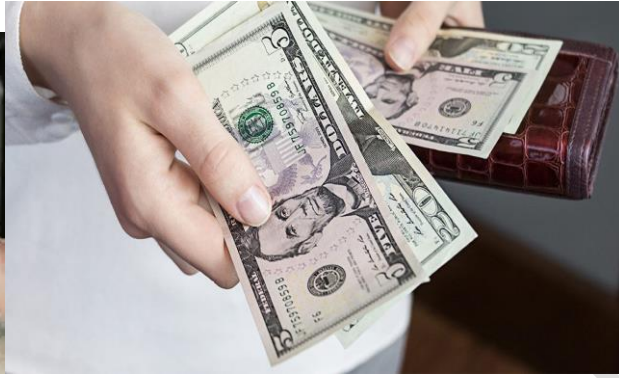
Lenders ask to ensure that the borrower will repay the money in time. Such sort of questions serve as protection for lenders in the event that the borrower defaults on the loan repayments. But, in most situations, people repay the loan within the defined duration.

Q4: List the financial transactions you have engaged in over the past month.

Financial transaction is one in which there is some sort of activity that changes the value of the assets, liabilities, or owner's equity of an organization. These types of transactions are two-part transactions consisting of a buyer and a seller, and they always involve money in some way. Financial transactions in accounting are recorded in the accounting journal in chronological order.

Lately all our purchases are online and pay at door.

Online purchases:-



1_ Purchase of face treatment .

135D +25D delivery fees

2_ coffee capsules

Online and cash at door

200DL Free delivery

3_ Sandal (Dune)

165DL+155DL Delivery fees

4_ Gift to my brother in UAE

Online and pay with credit card delivered to him next day.

450Dhs+25Dhs delivery fees

At store purchases:-



1_ Gift for my aunt is birthday.

By call and take the goods at the store.

75DL

2_ Candles

45DL

Q5: Write a brief explanation on the following:

1- European Central Bank

The European Central Bank (ECB) is the central bank of the 19 European Union countries which have adopted the euro. The main task of the ECB is to maintain price stability in the euro area and so preserve the purchasing power of the single currency.

The first step towards creating the ECB was the decision, taken in 1988, to build an Economic and Monetary Union: free capital movements within Europe, a common monetary authority and a single monetary policy across the euro area countries.



2- U.S. Federal Reserve

The Federal Reserve System is the central bank of the United States. It performs five general functions to promote the effective operation of the U.S. economy and, more generally, the public interest. The Federal Reserve.

The Federal Reserve System was created on December 23, 1913, when President Woodrow Wilson signed the Federal Reserve Act into law. The system is composed of a central, independent governmental agency--the Board of Governors--in Washington, D.C., and 12 regional Federal Reserve Banks, located in major cities throughout the nation.



References

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