**Printed Pages: 01** **Sub Code: RMBFM05**

**Paper Id: 270234** **Roll No.** | | | | | | | | | | |

**MBA**

**(SEM-IV) THEORY EXAMINATION 2018-19**

**FINANCIAL DERIVATIVES**

***Time: 3 Hours*** ***Total Marks: 70***

**Note: 1.** Attempt all Sections. If require any missing data; then choose suitably.

**SECTION A**

**1. Attempt *all* questions in brief. 2 x 7 = 14**

a. What do you mean by 'OTC' trading?
b. What do you mean by "Underlying" ?
c. Define a forward contract.
d. What do you mean by NTDC Contracts?
e. Discuss the concept of American Style and European style of an option.
f. What is currency swap?
g. What are the various types of derivatives?

**SECTION B**

**2. Attempt any *three* of the following: 7 x 3 = 21**

a. Clearly discuss the functions of futures market.
b. Clearly differentiate between forward contracts and futures Contracts.
c. Clearly explain the concept of call options and put options in detail.
d. Clearly discuss the Black Schole model.
e. What is an interest rate swap? Also discuss the features of an interest rate swap.

**SECTION C**

**3. Attempt any *one* part of the following: 7 x 1 = 7**

(a) Clearly explain the concept of currently swap? What are the various types currency swap, clearly discuss?
(b) Clearly differentiate between options and futures.

**4. Attempt any *one* part of the following: 7 x 1 = 7**

(a) What is Hedging? What are the various applications of hedging in case of forwards.
(b) Explain the concept of forward market transactions.

**5. Attempt any *one* part of the following: 7 x 1 = 7**

(a) Clearly discuss the classification of forward contracts.
(b) How the hedging can be done in case of currency options? Justify your answer with a suitable example.

**6. Attempt any *one* part of the following: 7 x 1 = 7**

(a) Clearly discuss the concept of cost –of –carry approach in relation to futures pricing.
(b) What do you mean by swaps? Also discuss the features of swaps.

**7. Attempt any *one* part of the following: 7 x 1 = 7**

(a) What do you mean by Index options ? how the hedging and speculation can be done through Index options.
(b) Clearly write a note on Indian Derivates market.

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