

# School of Business

Department of Business

Mid Term Examination

Exam Date: 30 Sep 2023

Time : 90 Minutes

Marks : 50

## Sem V - D1UA504T - Financial Derivatives

*Your answer should be specific to the question asked*

*Draw neat labeled diagrams wherever necessary*

- 1) Classify the types of derivative market Instrument. K2 (2)
- 2) What do you mean by future contract? K1 (3)
- 3) Outline the importance of financial derivative. K2 (4)
- 4) Explain the concept of margin requirements in futures trading and its importance. K2 (6)
- 5) "The regulatory body plays a very essential role in overseeing the financial market" With reference to the given statement apply the concept of regulatory body in financial market. K3 (6)
- 6) "An agreement between the two parties involved in the exchanging of notional amounts in one currency with that of another currency". With reference to the given statement interpret the concept. K3 (9)
- 7) Distinguish between financial and commodity derivative. K4 (8)
- 8) Conclude the challenges of derivative market in india. Explain the working of derivative market. K4 (12)

**OR**

Examine the various types of risk associated with trading derivatives. K4 (12)