GALGOTIAS UNIVERSITY

ADMISSION NUMBER												

School of Finance and Commerce

Master of Business Administration in Financial Management
Mid Term Examination - May 2024

Duration : 90 Minutes
Max Marks : 50

Sem II - H1PE202T - Financial Derivatives and Risk Management

General Instructions
Answer to the specific question asked
Draw neat, labelled diagrams wherever necessary
Approved data hand books are allowed subject to verification by the Invigilator

1)	is meant by a swap?	K2 (2)
2)	Define MIBOR and LIBOR.	K1 (3)
3)	Differentiate between capital and money market.	K2 (4)
4)	Enumerate the mechanism of swaptions with example. Differentiate between payer swaptions and receiver swaptions	K2 (6)
5)	Describe the assumptions and critique of BS Merton Model of option trading	K3 (6)
6)	What is tick size?	K3 (9)
7)	Discuss the specification of Index futures.	K4 (8)
8)	differentiate between Short Hedge and Long Hedge	K4 (12)
	OR	
	What is meant by interest rate swap? Describe the plain vanilla, basis and amortising swap.	K4 (12)