

School of Finance and Commerce**Master of Business Administration in Financial Management
Semester End Examination - Jun 2024****Duration : 180 Minutes
Max Marks : 100****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*

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| 1) | Forward Rate Agreement | K1(2) |
| 2) | Discuss the impact of various economic factors on exchange rate of currency. | K2(4) |
| 3) | “The OTC derivatives markets have witnessed sharp growth over the last few years.” Justify this statement by giving appropriate reasons. | K2(6) |
| 4) | Hedging is to provide insurance against adverse fluctuations in the price movements. Do you agree? Discuss the statement with the help of suitable example. | K3(9) |
| 5) | Differentiate between exchange traded and OTC. | K3(9) |
| 6) | Differentiate between Hedging and speculation. | K5(10) |
| 7) | Comment on the correlation between bond prices and change in interest rate | K4(12) |
| 8) | the regulatory framework of derivative market in India. | K5(15) |
| 9) | Examine the risks in financial derivatives and suggest measures to minimise them. | K5(15) |
| 10) | What do you mean by Exchange-traded and OTC derivatives? Also explain the various uses of derivatives. | K6(18) |