

School of Finance and Commerce

**Master of Business Administration in Financial Management
Semester End Examination - Jul 2024**

**Duration : 180 Minutes
Max Marks : 100**

Sem II - H1PE202T/MBAF0802 - 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) | Explain the features of Stock options | K1(2) |
| 2) | Hedging receivables and payables. | K2(4) |
| 3) | Explain the cost of carry model of future prices | K2(6) |
| 4) | What is the option buyer's total profit or loss per share if a call option is purchased for a \$5 premium, has a \$50 exercise price, and the stock is valued at \$53 at expiration? | K3(9) |
| 5) | Examine the performance of exchange trading derivatives in India. | K3(9) |
| 6) | What is basis? Discuss its relevance in commodity futures | K5(10) |
| 7) | The role of underwriters. | K4(12) |
| 8) | What do you mean currency options? Enumerate the main features of exchange traded currency options. | K5(15) |
| 9) | What do you mean by derivative products? Discuss the categories of participants in derivative market | K5(15) |
| 10) | What do you mean by commodity future and what is the role of hedgers, speculators and arbitrageurs in this? Discuss the main features of commodity future and also give your opinion on commodity future as an investment option | K6(18) |