

Roll No.

Exam Code : J-19

Subject Code—0287

M. B. A. EXAMINATION

(Batch 2009-2017 Main/Re-appear)

(Fourth Semester)

FINANCIAL DERIVATIVES

FM-407

Time : 3 Hours

Maximum Marks : 70

Section A

Note : Attempt any *Seven* questions. **7×5=35**

1. What are the reasons for the growth of financial swaps ?
2. What is the difference between exchange traded and OTC Options ?
3. Write a detailed note on “Intrinsic value of an option.

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4. Why the concept of implied volatility is required for option pricing ?
5. State the various types of vertical and horizontal spreads.
6. Illustrate the scope of derivatives market in India.
7. Explain the various types of derivatives.
8. What is the role of various participants of futures market ?
9. State the importance of hedge ratio in designing hedge strategy.
10. Discuss the features of *t*-bond.

Section B

Note : Attempt all the questions.

11. How does a future market operation and how might it facilitate that trade in industrial and agricultural communication ?

Or

Explain, how the forward price is determined ?
What is the role of spot price in determining forward price ? **12**

12. Critically examine the regulatory framework for derivatives market in India.

Or

Under what circumstances are a short hedge and a long hedge appropriate ? Explain with examples. **12**

13. Discuss the procedure for calculating the value of a call option as per Black and Scholes model.

Or

What is the procedure for calculating interest rate swap and explain this with example ? **11**