

Roll No. ....

Exam Code : J-19

Subject Code—0315

**M.B.A. EXAMINATION**

(Batch 2018 Onwards for Lateral Entry)

(Fourth Semester)

FINANCIAL DERIVATIVES

FM-407/PGDFM-106

(Common with P.G. Diploma in Finance  
Management)

*Time : 3 Hours*

*Maximum Marks : 70*

**Note :** Attempt *Five* questions in all, selecting at least *one* question from each Unit in addition to compulsory Q. No. 1.

**1.** Describe the following :

- (i) Futures contract
- (ii) Traders in derivatives marketer
- (iii) Option Contracts

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- (iv) Futures payoffs
- (v) Interest rate swaps
- (vi) Throw light on evolution of derivatives
- (vii) Contemporary issues of Indian derivatives market. 7×2

### Unit I

- 2. Clearly bring out the need of derivatives market in India with suitable arguments in favour and disfavour. 14
- 3. Distinguish between futures and forward contracts with suitable examples. 14

### Unit II

- 4. Discuss the application of futures contract for hedging, speculation and arbitrage. 14
- 5. Define interest rate futures. Explain the futures and types of short-term and long-term interest rate futures with suitable example. 14

### Unit III

- 6. What are the various factors that determine the pricing and value of stock options ? Discuss. 14
- 7. Explain the different strategies of option trading with suitable example. 14

### Unit IV

- 8. How are currency swaps and interest rate swaps used for reducing cost ? Discuss. 14
- 9. “Commodity derivatives market is a good source of critical information and indicator of market sentiments.” Comment. 14