

C 1952

(Pages : 2)

Name.....8.....

Reg. No.....

FOURTH SEMESTER M.Com. DEGREE (REGULAR) EXAMINATION
MARCH 2021

(CBCSS)

M.Com.

MCM 4C 14—FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

1. In cases where choices are provided, students can attend all questions in each section.
2. The minimum number of questions to be attended from the section/part shall remain the same.
3. There will be an overall ceiling for each section/part that is equivalent to the maximum weightage of the section/part.

Part A

Answer any four questions.

Each question carries 2 weightage.

1. What do you mean by Derivative markets ?
2. Explain VAR.
3. What are the different types of SWAPS ?
4. What do you mean by Currency Futures ?
5. What is a call option ?
6. What is Hedging Risk ?
7. What do you mean by Double Option ?

(4 × 2 = 8 weightage)

Turn over

Part B

*Answer any four questions.
Each question carries 3 weightage.*

8. Explain the following terms :
 - (a) Strike Price.
 - (b) Expiration date.
 - (c) Option premium.
9. Describe the common types of swaps.
10. "Forward contracts are part of everyday life". Explain.
11. How is a future contract different from forward contract ?
12. What is margin system ? Explain different kinds of margin system.
13. Distinguish between straddle and strangle.
14. What do you mean by option contract ? Explain its types.

(4 × 3 = 12 weightage)

Part C

*Answer any two questions.
Each question carries 5 weightage.*

15. Explain Black Scholes option strategy.
16. Explain the various factors affecting Pricing of Option Trading.
17. Explain the regulatory framework of derivative trading in India.
18. Explain the hedging strategies using in Futures Trading.

(2 × 5 = 10 weightage)