16P435 (Pages:1) Name…………………

Reg.No……………….

FOURTH SEMESTER M.Com DEGREE EXAMINATION, MARCH 2018

(Regular/Supplementary/Improvement)

(CUCSS-PG)

CC15P MC4 C14 – FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(2015 Admission onwards)

Time : Three Hours Maximum : 36 Weightage

PART- A

Answer the following questions. Each question carries **1** Weightage.

1. What is Futures?
2. What is OTC derivatives?
3. What is Hedging?
4. What is Put Option?
5. Define Gamma.
6. What is Swaption?

(6 × 1= 6 weightage)

PART- B

Answer any ***six*** questions. Each question carries **3** Weightage**.**

7. Bring out the difference between Speculation and hedging.
8. Explain the characteristics of a forward contract.
9. Explain Implied Repo rate and explain how it is calculated.
10. What are the advantages of swaps over forward rate agreement?
11. Explain the Intrinsic value of the option.
12. Describe the put-call parity theorem.
13. What do you understand by the term Vega risk?
14. Explain currency swaps.

(6 × 3 =18 weightage)

PART- C

Answer any ***two*** questions. Each question carries **6** Weightage.

15. Define Financial Derivatives. Explain meaning, need and growth of financial derivative markets in India.
16. Explain the need and importance of options and futures.
17. Define Swap. Explain the structure of Swap dealing for risk management.

(2×6=12 weightage)

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