17P445 (Pages: 1) Name…………………………

Reg. No……………………..

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2019

(CUCSS - PG)

CC15P MC4 C14 - FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(Regular/Improvement/Supplementary)

(2015 Admission onwards)

Time : Three Hours Maximum : 36 Weightage

Part - A

Answer ***all*** questions. Each question carries 1 weightage.

1. Define Derivative market.
2. What do you mean by future contract?
3. What is cost of carry?
4. What do you mean by strip?
5. Differentiate time value and intrinsic value.
6. What is interest rate swap?

(6 x 1 = 6 Weightage)

Part - B

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

7. Write a short note on importance of derivatives.
8. Explain the term CAPM.
9. Discuss future trading on BSE and NSE.
10. Differentiate futures and options.
11. Explain the binomial option pricing model.
12. Discuss the mechanism of currency swap.
13. What are the uses of short condor spread?
14. Explain the significance of using a right option strategy.

(6 x 3 = 18 Weightage)

Part - C

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

15. Explain the various strategies of hedging with stock index futures.
16. Define risk management. Discuss the various risk management issues in Corporate Sector.
17. Discuss the major types of Swaps and explain how it can be used to manage the risk exposure.

(2 x 6 =12 Weightage)

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