



V Semester B.B.A. Examination, March 2023
(Fresh) (CBCS) (2022 – 23 and Onwards)
A&FN2 : BUSINESS ADMINISTRATION
Paper – 5.6 : Derivatives and Risk Management

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written in **English** only.

SECTION – A

1. Answer **any five** sub-questions. **Each** question carries **2** marks. **(5×2=10)**
- a) Define the term risk.
 - b) What are forward contract ?
 - c) Who is a speculator ?
 - d) What is clearing ?
 - e) Define stock exchange.
 - f) What is hedging ?
 - g) Mention any two major stock exchanges in the world.
 - h) Who is a broker ?

SECTION – B

- Answer **any 3** questions. **Each** question carries **5** marks. **(3×5=15)**
- 2. State the objectives of risk management.
 - 3. Bring out the characteristics of future contracts.
 - 4. Explain the features of speculation.
 - 5. Give a brief note on future markets in India.
 - 6. Explain any five differences between BSE and NSE.



SECTION – C

Answer **any three** questions. **Each** question carries **12** marks.

(3×12=36)

7. Explain briefly the various types of derivative.
8. Write any six differences between forward and future contracts.
9. Explain the different types of order in stock market.
10. Explain the recent trends in application of financial derivatives.
11. What is DEMAT Account ? Explain the benefits of Demat Account.

SECTION – D

Answer the following **compulsory** question. It carries **nine** marks.

(1×9=9)

12. a) Prepare a chart on guidelines given by SEBI for trading in derivatives.

OR

- b) Write the working mechanisms of
Forwards
Futures.
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