

ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)

II MBA IV Semester Regular Examinations, August-2021
FINANCIAL DERIVATIVES

Time: 3 Hrs

Max. Marks: 60

Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory

1. “Financial derivatives have changed the face of finance by creating new ways to understand measure and manage financial risks.” Comment upon the statement.
2. Define a forward contract. Discuss its features with suitable examples.
3. How to determine the price for the following investment assets ?
 - (i) Investments asset which generates no income.
 - (ii) Investment asset which generates a known cash income.
 - (iii) Investment asset which generates a known dividend.
4. Discuss Black-Scholes Option Pricing Model. What are the assumptions ?
5. What do you mean by Put-Call Parity ? Explain with suitable examples. Show the relationship in diagrams.
6. Define the concept “Swap”. Discuss the basic features and also the structure of swap contracts.
7. Briefly discuss the futures market trading mechanism in India.

8. **CASE STUDY:**

From the following data, calculate European Call Option Price.

Current Stock Price = Rs. 60

Exercise Price = Rs. 55

Risk-free Interest Rate = 12% p.a.

Option Period = One year

Up factor (u) = 35%

Down factor (d) = 30%

Use Binomial Option Pricing Model.

Code: 19MBA4008

SET-1

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)**

II MBA IV Semester Regular Examinations, August-2021

GLOBAL HUMAN RESOURCE MANAGEMENT

Time: 3 Hrs

Max. Marks: 60

**Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory**

1. a) Define globalization. 2M
b) What are the organisational drivers of Globalization? 10M
2. a) Explain how culture is important in GHRM. 6M
b) How country culture is different from company culture? 6M
3. a) What is international staffing? 4M
b) What are the strategies of staffing in international businesses? 8M
4. a) What do you mean by staffing in global context? 6M
b) What are the key issues in staff selection to internationalized firms? 6M
5. a) What are the features of GHRM? 6M
b) Discuss the future challenges pertaining to GHRM. 6M
6. a) What are the challenges to effective performance management? 6M
b) Discuss about the different criteria of performance management. 6M
7. a) What do you mean by global merger and acquisition? 4M
b) Discuss the issues and challenges associated with global merger and acquisition. 8M

8. CASE STUDY:

Case: Veenema is proposing to the Board that there should be much greater international mobility of staff: More international recruitment, and more international careers in the multinational. At present, there are on average 1-2 expatriates per location that had been transferred there by the centre. Chatterjee responds: "We have very good managers and engineers in Africa and Asia, you know. We are doing well, and we often have awful difficulties integrating foreigners who become ill, have marital troubles, do not understand the culture, and everyone knows they get paid twice what we get at least, just for being there. And if one of us works in Europe or the US, look how we are compensated for the mobility!" Mertz argues: "Only local people can solve local problems. We do need to cooperate internationally, but with the internet and video-conferencing, we can do projects across borders very well. Why should we go to all this trouble of relocation, integration and re-integration?" Krausnitzer suggests that staffing should be left to the regional directors: "...they are intermediate between the centre and individual locations. People on the same continent understand each other."

Question: Draft an analysis of the above case and suggest remedial measures.