



Term Evaluation (Even) Semester Examination March 2025

Roll no.....

Name of the Course: B. Com (H)

Semester: VI

Name of the Paper: Financial Derivatives

Paper Code: BCH 604 (F10)

Time: 1.5-Hour

Maximum Marks: 50

Note:

- (i) Answer all the questions by choosing any one of the sub-questions
- (ii) Each question carries 10 marks.

Q1.

(10 Marks)

- a. Elucidate the present status of derivative market in India? Also explain the types of derivatives being traded. CO1

OR

- b. What do you mean by financial derivatives? How are these different from other derivatives? CO1

Q2.

(10 Marks)

- a. What are the types of future contract? Who are the participants in future market? Explain. CO1
OR

- b. Distinguish between future and forward contracts. CO1

Q3.

(10 Marks)

- a. Write a short note early delivery, extension and cancellation of forward contract. CO2
OR

- b. What is the meaning of option contract? What are its important features? CO1

Q4.

(10 Marks)

- a. Mr. Anil has purchased a 3-months call with exercise price of Rs 80 at a premium of Rs. 5 and a 3-months put with the same exercise price at a premium of Rs. 3. Find out his net payoff if the share goes up to 85 or goes down to 75 on the date of expiration. CO3

OR

- b. Explain covered call strategy? How is it different from the protective put? CO3

Q5.

(10 Marks)

- a. Write a short note on strip, strap and strangles option strategies. CO2
OR

- b. Explain the Binomial model for valuation of options. How an investor can take benefit of difference between the fair value and market value of options? CO3