

MMS/M-14
FINANCIAL DERIVATIVES
Paper: FM -403

Time : Three Hours]

[Maximum Marks: 70

Note: Attempt any eight questions from Part—A. Each question carries five marks.

Attempt any three questions from Part—B, Each question carries 10 marks.

PART—A

1. Describe the salient features of financial future contracting.
2. Trace the genesis of financial market futures.
3. Describe the significance of future contracts.
4. How are financial future markets regulated in India? Describe.

Describe the salient features of stock index futures.

6. How is hedging strategy desired using futures ? Explain.
7. How are forward currency contracts priced? Explain.
8. Describe currency risk hedging with swaps.
9. Explain the mechanism of option currency markets.
10. How does currency options facilitate exchange rate eligibility? Explain.

PART -B

11. Describe in detail, growth and development of financial future trading in India.
12. What is Volatility index? How is it determined and traded? Explain.
13. Describe the following:
 - (a) Pricing of futures contracts
 - (b) Regulation of futures market in India.
14. Describe in detail the pricing of foreign currency forwards and futures contracts.
15. Describe and illustrate trading and hedging with the option contracts.