1. Roll No…………………

Total Pages : 03

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MBA/M-18

FINANCIAL DERIVATIVES

Paper: MBA-FM-403

Time: Three Hours Maximum Marks : 70

Part-A

Note: Attempt any eight questions carrying 5 marks each.

1. What is put-call parity theorem? Explain.
2. Describe salient features of S&P CNX Nifty option contract.
3. Define the payoffs of a call option and a put option from the point of view of the option writer (seller)
4. List out key differences between forward contract and future contracts.
5. Describe essentials of future contracts on individual securities in India.
6. Why are speculators more attracted to futures market? Explain.
7. What are the factors influencing option price? Explain.
8. Explain the operation of cost of carry model of pricing futures.
9. What is margin? How does margin system work in futures and options trading? Explain.
10. How are futures markets regulated in India? Explain.

Part-B

Note :- Attempt any three questions carrying 10 marks each.

11. Identify and describe option trading strategies with individual stock options.

12. Compare and contrast Block and Scheoles model and Binomail optioin pricing models

13. Describe, in brief, the trading mechanism of future trading in India.

14. How are currency forwards and futures priced? Also explain risk hedging with swaps in this regard.

15. Describe the essentials and the trading mechanism of interest rate futures in India.