44004 A (OR)

M.Com., DEGREE EXAMINATION- APRIL 2018

FOURTH SEMESTER

PAPER IV - FINANCIAL DERIVATIVES

(No additional sheet will be supplied)

(2013-2015 Batch)

Time: Three Hours **Maximum: 75 marks**

PART-A (5x 3 = 15 Marks)

Answer any **FIVE** questions.

Each question carries **3** marks

Each answer should not exceed **1** page.

1. Financial Derivatives
2. Speculators
3. Currency futures
4. Financial future
5. Options Vs Future
6. Black Scholes model
7. Commodity swaps
8. Equity Swap

PART - B (4x15 = 60 marks)

Answer **ALL** questions.

Each question carries **15** marks

Each answer should not exceed **6** pages.

9. What are the important features of financial derivatives? Explain with suitable examples.

Or

10. Outline the regulatory framework of derivatives trading in Indian context.

11. Distinguish between forward contracts and future contracts with suitable examples.

Or

12. Outline the risk management strategies in financial derivatives with suitable examples.

13. What are the advantages and disadvantages of options? Explain.

Or

14. What is Binomial pricing model? Discuss two-step binomial model with hypothetical examples.

15. What are the various types of interest rate swaps? Explain their uses.

Or

16. Explain the merits and demerits of currency swaps.