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(Pages : 2)

Name.....

Reg. No.....

SIXTH SEMESTER U.G.(CBCSS—UG) DEGREE EXAMINATION
MARCH 2024

B.Com.

BCM 6B 15—FINANCIAL DERIVATIVES
(FINANCE SPECIALISATION)

(2019 Admission onwards)

Two Hours and a Half

Maximum : 80 Marks

Section A

*Answer all questions.
 Each question carries 2 marks.
 Ceiling 25 marks.*

1. What do you mean by hedging ?
2. What is a forward contract ?
3. What is marking-to-market ?
4. What is straddle ?
5. What is spread ?
6. What do you mean by option ?
7. What is option premium ?
8. What is a Bermudan option ?
9. What do you mean by swap ?
10. What is LIBOR ?
11. What is strike price ?
12. What is a call option ?
13. What do you mean by derivatives ?
14. What is Arbitrage ?
15. Who is a spreader ?

(15 x 2 = 30 marks, Ceiling 25 marks)

Turn over

Section B

Answer all questions.

Each question carries 5 marks.

Ceiling 35 marks.

16. Briefly explain about the participants in derivative market.
17. Discuss the features of future contracts.
18. Distinguish between futures and options.
19. Discuss the important terms used in swap contract.
20. Write about the important features of options.
21. Discuss the factors that contribute to the growth of derivatives market.
22. List out the limitations of forward contracts.
23. Briefly discuss the various types of futures.

(8 × 5 = 40 marks, Ceiling 35 m

Section C

Answer any two questions.

Each question carries 10 marks.

24. Discuss the various stock market derivatives in India.
25. What are derivatives ? What are the important classification of derivatives ?
26. What are options ? Explain the fundamental option strategies with suitable examples.
27. What are swaps ? Explain in detail the various types of swaps.

(2 × 10 = 20