

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 85552

M.B.A. DEGREE EXAMINATION, FEBRUARY 2012.

Elective

DBA 1754 – FINANCIAL DERIVATIVES

(Regulation 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Differentiate a future from an option.
2. What do you mean by rolling over of forward contract.
3. List out four recommendations of Varma committee on derivatives.
4. Differentiate badla from a forward trading.
5. What do you mean by stock index futures? Give examples.
6. What do you mean by short hedging?
7. What is the money put and call options?
8. Explain long position in put option with an example.
9. Define a financial asset as per IAS 32.
10. What are derivative exposures?

PART B — (5 × 16 = 80 marks)

11. (a) List down the functions of the derivatives market and the criticisms of the market.

Or

- (b) List down and explain in detail the different types of players in the derivatives market.

12. (a) List down and explain the major recommendations given by Gupta committee.

Or

- (b) Discuss the various measures specified by SEBI to enhance protection of rights of investors in the derivative market.
13. (a) Explain the forward foreign exchange market. What are its important features? Explain with suitable examples

Or

- (b) Discuss the concept of duration with respect to bonds and also discuss the importance of duration with respect to interest rate risk management.
14. (a) Distinguish between spread, straddle and strangle option strategies and compare them with examples.

Or

- (b) Discuss the black scholes option pricing models with suitable examples.
15. (a) Explain List down and explain the various credit derivative instruments.

Or

- (b) Discuss the accounting treatment of derivative transactions.