MAULANA ABUL KALAM AZAD UNIVERSITY OF TECHNOLOGY, WEST BENGAL

Paper Code : BBA AT & A 602 FINANCIAL DERIVATIVES

UPID : 600087

Time Allotted : 3 Hours *Full Marks :70*

The Figures in the margin indicate full marks.

Candidate are required to give their answers in their own words as far as practicable

Group-A (Very Short Answer Type Question)

1. Answer any ten of the following : [1 x 10 = 10]

(I) Name the first exchange to introduce the trading in index based derivatives in India

(II) Mention one risk which is a non-diversifiable.

(III) In India, the first exchange to introduce online trading in commodity derivatives was......................

(IV) Name two participants in the derivatives market

(V) Name two underlying asset of a derivative contract

(VI) A futures transaction results into ……… for buyer

(VII) An option transaction results into …….for buyer.

(VIII) Derivative products provide hedge against inflation.---- True / False

(IX) The difference between the spot price of underlying asset and strike price of option on it on transaction date is known as

(X) In which derivatives transaction a buyer is not required to pay the margin

(XI) Which of following derivatives are not available on BSE?

(XII) Systematic risk can be diversified---- True or False

Group-B (Short Answer Type Question)

Answer any three of the following : [5 x 3 = 15]

2. What is commodity swap? [5]
3. What is purpose of a SWAP? [5]
4. What is future and forward contracts? [5]
5. How is a Swap structured? [5]
6. What is equity stock futures? [5]

Group-C (Long Answer Type Question)

Answer any three of the following : [15 x 3 = 45]

7. What is derivative market? [15]
8. Explain the application of swap. [15]
9. What are the different types of futures contracts? [15]
10. What is Total Return Swaps? [15]
11. What are the differences between trade with commodity futures and the cash markets? [15]

*** END OF PAPER ***