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Name.....

Reg. No.....

**FOURTH SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, APRIL 2023**

(CBCSS)

M.Com.

MCM4C14—FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

Part A*Answer any four questions.**Each question carries 2 weightage.*

1. What is Market Risk ?
2. Define Derivative.
3. What is Underlying Asset ?
4. What are Index futures ?
5. What is Open Interest ?
6. What is Warrants ?
7. Define Short Straddle.

(4 × 2 = 8 weightage)

Part B*Answer any four questions.**Each question carries 3 weightage.*

8. What are the steps in Risk Management ?
9. What are the differences between futures contract and forward contracts ?
10. "Call writers and put buyer exhibit bearish sentiments". Do you agree ? Explain.

Turn over

11. How swaps are useful for risk management ? Explain.
12. Explain Binomial Option Pricing model.
13. Discuss various types of Risk.
14. Explain the economic benefits of Derivatives.

(4 × 3 = 12 wei

Part C

*Answer any **two** questions.*

Each question carries 5 weightage.

15. Define Risk Management. Discuss various risk management issues in business organization.
16. Explain the role of Derivatives in reducing Financial Risk.
17. Define Swaps. Explain different types of Swaps.
18. What is Risk ? Explain how risk become a burden to society.

(2 × 5 = 10 wei