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Name.....

Reg. No.....

**SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2023**

(CBCSS—UG)

B.Com.

BCM 6B 15—FINANCIAL DERIVATIVES (FINANCE SPECIALISATION)

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

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

1. What is Warrants ?
2. What is Delivery price ?
3. What is Derivative Contracts ?
4. What is margin ?
5. What is Commodity Futures ?
6. What do you mean by Stock Index Option ?
7. What is Cash market ?
8. What is Currency Swaps ?
9. What is Intrinsic Value of Option ?
10. What is Equity Swaps ?
11. What is Secondary Market ?
12. What is Hedging ?
13. What is an Arbitrageur ?
14. Distinguish Call option from Put option.
15. What is Future Pay-off ?

(15 × 2 = 30 marks ; ceiling 25 marks)

**Turn over**

### Section B

*Each question carries 5 marks; ceiling 35 marks.*

16. Explain the Features of Financial derivatives.
17. What are the economic functions of Derivative contracts ?
18. Difference between Swaps and Futures.
19. Explain the features of Futures ?
20. Distinguish between Currency Futures and Interest Rate Futures.
21. Difference between Cash Market and Derivative Market.
22. Explain the regulatory authorities of derivatives trading in India.
23. What are the advantages and disadvantages of swaps ?

$(8 \times 5 = 40 ; \text{ceiling})$

### Section C

*Answer any two questions.*

*Each question carries 10 marks.*

24. Discuss the methods of Settlement of Futures.
25. What is Forward Contracts ? What are the advantages and limitations of Forward Contract.
26. What is Stock option ? Discuss the trading strategies in Stock Options.
27. Explain the factors influencing the growth of Financial derivative markets in India.

$(2 \times 10 = 20)$