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Name.....

Reg. No.....

**FOURTH SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, APRIL 2025**

(CBCSS)

M.Com.

MCM 4C 14—FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

*Answer should be written in English only.***Part A***Answer any **four** questions.**Each question carries 2 weightage.*

1. Define financial derivatives
2. What is Arbitrage ?
3. What is long position ?
4. What is cross hedge ?
5. Define Option
6. What do you mean by European option ?
7. What is Vega ?

(4 × 2 = 8 weightage)

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

8. Describe the process of risk management.
9. Who is a Speculator ? Explain the functions of a speculator.
10. SEBI plays a pivotal role in protecting the interest of investors in the derivatives market. Elucidate.
11. Differentiate between perfect hedge and imperfect hedge.

Turn over

12. Explain the Black-Scholes Pricing model.
13. Differentiate between Interest rate swaps and Currency swaps.
14. Differentiate between futures and forwards.

(4 × 3 = 12 weightage)

Part C

*Answer any **two** questions.*

Each question carries 5 weightage.

15. What do you mean by derivatives ? Explain the types of derivatives with their characteristics.
16. Explain the theories of future pricing.
17. What are Swaps ? Explain the different types of swaps and their characteristics.
18. Discuss the recent trends in derivatives trading in India.

(2 × 5 = 10 weightage)