D 120003 **(Pages : 2)** **Name.......................................**

Reg. No..................................

SIXTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
MARCH 2025

B.Com.

BCM6B15—FINANCIAL DERIVATIVES (FINANCE SPECIALISATION)

(2019 Admissions onwards)

Time : Two Hours and a Half Maximum : 80 Marks

Answer should be written in English only.

Section A

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

1. What is margin money ?
2. What is initial margin ?
3. What is LEAPS ?
4. Who are hedgers ?
5. What are index futures ?
6. What do you mean by short hedge ?
7. What is intra-commodity spread ?
8. What is put option ?
9. What is European option ?
10. Give two examples for exotic option.
11. What is interest rate swap ?
12. What is putable swap ?
13. What is CDS ?
14. What is marking-to-market ?
15. What is straddle ?

(15 × 2 = 30 marks, Ceiling 25 marks)

Turn over

Section B

Answer **all** *questions.*
Each question carries 5 *marks.*
Ceiling 35**.**

16. Discuss the characteristics of derivatives.

17. Write a note on Commodity derivatives.

18. On the basis of trading mechanism how will you classify the derivatives ?

19. Explain the futures trading mechanism.

20. Write about the features of currency futures.

21. Discuss the trading strategies in stock futures.

22. Discuss the important terms associated with option contract.

23. Distinguish between forwards and options.

(8 × 5 = 40 marks Ceiling 35 marks)

Section C

Answer any **two** *questions.*
Each question carries 10 *marks.*

24. Briefly discuss the growth and development of derivative market in India.

25. What do you mean by options? Explain the various types option contracts ?

26. What are swaps ? Explain the various types of swaps.

27. What are financial derivatives ? What are the different types of financial derivatives ?

(2 × 10 = 20 marks)