

**G 17001273**



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Reg. No.....

Name.....

**M.Com. DEGREE (C.S.S.) EXAMINATION, MAY 2017**

**Fourth Semester**

Faculty of Commerce

Elective—Finance

**FM 04 E02—FINANCIAL MARKETS AND DERIVATIVES**

(2012 Admissions—Regular)

Time : Three Hours

Maximum Weight : 30

**Section A**

*Answer any **five** questions.  
Each question carries 1 weight*

1. What is Green shoe option ?
2. Write notes on depository system.
3. What do you mean by Arbitrage ?
4. Distinguish between call option and put option.
5. What is insider trading ?
6. Narrate interest rate swaps.
7. What is exchange rate quotation ?
8. Define financial system.

(5 × 1 = 5)

**Section B**

*Answer any **five** questions.  
Each question carries 2 weight.*

9. Discuss the term “Swapping through Intermediaries”.
10. Explain the trading mechanism for commodity futures.
11. Narrate the role of Banks in Currency forward.
12. Define “Future”. Also discuss the features of a future contract.
13. What do you mean by SWAPS ? Bring out its advantages.
14. Discuss the stages of evolution of Indian Capital Market.
15. Explain the components of a Financial System.
16. What is Capital Market ? How does it differ from money market ?

(5 × 2 = 10)

**Turn over**





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**Section C**

*Answer any **three** questions.  
Each question carries 5 weight.*

17. Define "Option". Discuss the techniques of calculation of option price.
18. Explain the different types of derivative contracts permitted by SEBI also explain the measure of control exercised by SEBI in regulating derivative markets.
19. What do you mean by Primary market ? Explain its functions and also narrate the methods adopted for new issue market.
20. Discuss the functions of Financial system .Also explain the importance of a good financial system for the economic development of a nation.
21. Narrate the merits and demerits of a forward contract.
22. What is commodity exchange ? Explain the functions of important commodity exchanges in India

(3 × 5 = 15)

