

19001164



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Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, APRIL 2019

Fourth Semester

Faculty of Commerce

Branch : Elective—Finance

FM04E02—FINANCIAL MARKETS AND DERIVATIVES

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

Section A

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

1. What is book building ?
2. Narrate forward market.
3. What do you mean by Hedging ?
4. Briefly explain long positions and short positions in future contract.
5. Write notes on interest rate futures.
6. What are financial swaps ?
7. What is venture capital ?
8. What do you mean by wash sales ?

(5 × 1 = 5)

Section B

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

9. Discuss the modern financial instruments.
10. Distinguish between money market and capital market.
11. Explain the features of SWAPS.
12. Narrate the components of money market.

Turn over





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13. What is Future contract ? Bring out its objectives, merits and demerits.
14. What do you mean by hedging through forwards ?
15. Explain cost of carry model in perfect and imperfect market environment.
16. Discuss the pricing of American option.

(5 × 2 = 10)

Section C

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

17. Explain the binomial model of option pricing.
18. Discuss the measures specified by SEBI to protect the right of investors in Derivatives market.
19. Explain the structure of Indian Financial System
20. Discuss the role of intermediaries in New Issue Market.
21. What do you mean by derivatives ? Explain the different types of derivatives.
22. What are the features of forward contract ? Also explain the role of banks in currency forward.

(3 × 5 = 15)

