

G 18001056



Reg. No.
Name.

M.Com. DEGREE (C.S.S.) EXAMINATION, MAY 2018

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 Bermudan Option ?
2. Define Speculator ?
3. What is Private Placements ?
4. What are weather derivatives ?
5. What do you mean by debt market ?
6. Explain financial markets ?
7. What is Commodity Price Rick ?
8. Explain index futures ?

(5 × 1 = 5)

Section B

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

9. Define Swaps. What are its features ?
10. Explain long and short Positions in futures.
11. What are the characteristics of derivatives ?
12. Explain the merits of exchange traded derivatives ?
13. What are the features of Options ?
14. The size of gold futures contract is 100 grams. O Invertor buys 1st May 2012 gold futures contract on 1st March 2012 at Rs. 600 per gram. Calculate value of contract, initial margin at 10 % and maintenance margin at 7.5 %.

Turn over





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15. Briefly explain the elements of financial system.
16. List out the intermediaries in the New issue Market ?

(5 × 2 = 10)

Section C

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

17. Define financial markets. What are its types ?
18. What are the reasons for the poor performance of new issue market ?
19. What are the different classification of derivatives ?
20. What do you mean by Stock Index Futures. What are its uses ?
21. What are the factors affecting Option Pricing ?
22. Explain the advantages of Swaps. What are the Special terms in Swap Contract.

(3 × 5 = 15)

