

Roll Number: _____

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY BBA(FS), Semester V (Repeat) Semester End Examination, January 2022
Code: BFS DSEC 4 Subject: Derivatives: Equity and Currency

Max. Marks: 60

Duration: 2 hours

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.

Q. 1. Answer ANY FIVE from the following:

(05x04=20 Marks)

1. Explain the various products of derivatives.
2. On 01st January 2022, Mr. X purchases four futures of Tata Steel at Rs. 1100/- each. The lot size of Tata Steel is Rs. 1,000/-. Calculate the amount of profit/loss to the investor under the two different situations wherein the market price:
 - i. Increases to Rs. 1120/-
 - ii. Decreases to Rs. 1080/-
3. Write a short note on CME Group Inc. being the world's largest financial derivatives exchange.
4. Highlight the role of clearing banks in physical settlement of derivative instruments.
5. Write a short note on tick size and ticker symbol for derivatives contracts.
6. 'A sound risk management system is integral to an efficient clearing and settlement system.' Explain.

Q. 2. Answer ANY ONE from the following:

(01x10=10 Marks)

A. Explain the concept of Derivatives and various types of participants in Derivatives Market.

OR

X. Differentiate between commodity derivatives and financial derivatives.

Q. 3. Answer ANY ONE from the following:

(01x10=10 Marks)

A. Explain the various terminologies associated with Option Contracts.

OR

X. Explain the payoff profile for the buyer of and the seller of a futures contracts with the help of a neat diagram and an example.

Q. 4. Answer ANY ONE from the following:

(01x10=10 Marks)

A. Explain the role of Commodity Exchanges.

OR

X. Elaborate on Multi Commodity Exchange of India (MCX) and National Commodity and Derivatives Exchange of India (NCDEX).

Q. 5. Answer ANY ONE from the following:

(01x10=10 Marks)

A. Explain the various entities involved in the Futures Trading System.

OR

X. Elaborate on the mechanism involved in the settlement of derivatives contracts.
