

**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. Write a short note on Swaps.
2. On 01<sup>st</sup> January 2022, Mr. X purchases five futures on State Bank of India (SBI) at Rs. 100/- each. The lot size of SBI is Rs. 10,000/- Calculate the amount of profit/loss to the investor under the two different situations wherein the market price:
  - i. Increases to Rs. 110/-
  - ii. Decreases to Rs. 90/-
3. The CME Group Inc. is the world's largest financial derivatives exchange. Elaborate.
4. Highlight the role of Depository Participants in derivatives markets.
5. Write a short note on Quantity Freeze.
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. There exist variety of derivative instruments for the purpose of trading, clearance, and settlement. Explain.

OR

X. The physical settlement, warehousing, and quality of underlying assets are the key aspects that differentiate the commodity derivatives and the financial derivatives. Elaborate.

**Q. 3. Answer ANY ONE from the following:**

(01x10=10 Marks)

A. The moneyness of an option has a three-fold classification and it is one of the pivotal terminologies in option contracts. Elaborate.

OR

X. Explain the payoff profile for writer of a put option and buyer of a put option with the help of a neat diagram and an example.

**Q. 4. Answer ANY ONE from the following:**

(01x10=10 Marks)

A. The Multi Commodity Exchange (MCX) and the National Commodity and Derivatives Exchange of India (NCDEX) are the two prime commodity exchanges in India. Explain.

OR

X. The regulatory transitions and technological disruptions have been phenomenal in the derivative markets. Justify.

**Q. 5. Answer ANY ONE from the following:**

(01x10=10 Marks)

A. The BSE Online Trading (BOLT) of the Bombay Stock Exchange (BSE) and the National Exchange for Automated Trading (NEAT) of the National Stock Exchange (NSE) are the core futures trading systems in India. Explain.

OR

X. Elaborate on the settlement methods of the equity futures and options in India by highlighting the key differences.