VidyaVikasMandal's

Shree Damodar College of Commerce and Economics, Margao-Goa

T.Y.BBA (FS) -- SEMESTER V, End Semester Examination, OCTOBER 2016

DERIVATIVES & COMMODITIES MARKET

Duration: 2Hours **Max Marks:60**

Instructions:

- *Figures to right indicate maximum marks*
- *Start each new question on a fresh page*
- *Question **ONE** is Compulsory*
- *Answer any **FOUR** questions from **Q2 to Q6***

Q1. Write a short note on ANYTHREE of the following: **(3x4=12)**

a) Risk management.
b) In-The-Money (ITM) option.
c) Quality of underlying assets of commodity derivatives.
d) European options.

Q.2 A) What are futures contract? Explain the difference between futures and options contracts. **(06)**

B) Explain the milestones of Financial Derivatives Markets in India. **(06)**

Q.3 A) Mr. XYZ is bullish on Nifty, when the Nifty is at 8200. He buys a call option with a strike price of Rs. 8800/- at a premium of Rs. 160.Identify the option strategy and explain the payoff profile of buyer. **(06)**

B) Difference between Commodity Derivatives and Financial Derivatives. **(06)**

Q.4 A) Explain the market entities in the trading system for derivatives contract? **(06)**

B) Explain the trading and settlement mechanism for derivatives market. **(06)**

Q.5 A) Mr. ABC is bullish on Nifty when it is at 8200. He sells a put option with a strike price of Rs. 8000/- at a premium of Rs. 300/-. Identify the option strategy and explain the payoff profile of seller. **(06)**

B) Briefly explain the types of orders based on Time conditions. **(06)**

Q.6 A) State the recommendations of L. C. Gupta Committee (LCGC) on the development and regulation of derivative markets in India **(06)**

B) Explain the Rules Governing Trading on Exchange for futures market under the Forward Contracts (Regulation) Act 1952. **(06)**

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