

VidyaVikasMandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
T.Y.BBA(FS), Semester -V Semester End Examination January 2020

Subject: Derivatives: Equity & Currency (BFS DSEC 4)

Duration: 2hrs

Max Marks: 30

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Question No. 1 is compulsory. Answer any four questions from Q2 to Q6.

Q1. Write a short note on any five of the following.

(5x4=20 Marks)

- a) Commodity Futures Trading cycle
- b) Pay off for buyer of Call Option
- c) Role of participants in Derivatives Market
- d) Mark to Market Margin
- e) Entities involved in Physical settlement
- f) Concept of Tick Size and Ticker Symbol
- g) Distinction between Exchange traded and Over the Counter Derivatives.

Q2. a) 'Derivatives products are considered as a risk management tool'. Explain the different Derivative products traded by Investors.

10 Marks

OR

x) How Financial Derivatives are different from Commodity Derivatives from the Investors perspective?

10 Marks

Q3. a) Trading in Forward Contracts increases the risk potential of Investors. Justify the same with due consideration to the limitation of Forward Contracts.

10 Marks

OR

x) Explain the process involved in Commodity Future trading cycle.

10 Marks

Q4. a) 'Option premium price is adversely affected by the multiple factors'. Explain the different factors affecting the Option premium in derivatives segment.

10 Marks

OR

x) 'Future Contracts are standardized regulated than the forward Contracts. Give some points of distinction between Future Contracts and Forward Contracts.

10 Marks