

MASTER'S DEGREE (C.S.S) EXAMINATION, MARCH 2025
2020, 2021, 2022 ADMISSIONS SUPPLEMENTARY
M.COM SEMESTER IV - ELECTIVE COURSE
CO4E04TM20 - Derivatives and Risk Management

Time : 3 Hours

Maximum Weight : 30

Part A

I. Answer any Eight questions. Each question carries 1 weight

(8x1=8)

1. Define derivatives.
2. Compare interest rate risk and leverage risk.
3. Discuss currency forwards and speculation.
4. Identify the types of forward contracts.
5. Enumerate interest rate futures.
6. Explain futures contracts.
7. Describe NSCCL.
8. Enumerate naked options.
9. Describe features of options.
10. Enumerate currency swaps.

Part B

II. Answer any Six questions. Each question carries 2 weight

(6x2=12)

11. Briefly explain techniques of time value of money.
12. Identify the merits and limitations of derivatives
13. Explain various risks in commodity market.
14. Describe various members in stock exchange.
15. Explain currency futures and features of currency futures with appropriate examples.
16. Explain the role of clearing house in future trading.
17. Enumerate asset swap Vs liability swaps, give examples.
18. Enumerate swaptions.

Part C

III. Answer any Two questions. Each question carries 5 weight

(2x5=10)

19. Explain currency forwards and methods of quoting foreign exchange rates.
20. List out important commodity exchanges in India.
21. Identify different types of option contracts.
22. Describe binomial price tree generation.