

TB256107X

Reg. No :

Name :

BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, MARCH 2025
2018, 2019, 2020, 2021 ADMISSIONS SUPPLEMENTARY
SEMESTER VI - OPTIONAL CORE (COMMERCE)
CO6B24ACB18 - Derivatives

Time : 3 Hours

Maximum Marks : 80

Part A

I. Answer any Ten questions. Each question carries 2 marks

(10x2=20)

1. Who is an arbitrageur?
2. Recall the meaning of hedgers.
3. What is speculation?
4. Explain the meaning of short selling?
5. Explain foreign exchange quotation.
6. List out various Commodity exchanges in India.
7. List out the various functions of clearing house.
8. Explain future derivative with help of an example.
9. Examine the meaning of the term Tunnel.
10. Enumerate the meaning of plain vanilla options.
11. Explain the term interest rate swap.
12. Explain the meaning of swaptions.

Part B

II. Answer any Six questions. Each question carries 5 marks

(6x5=30)

13. Write a note on the history of derivatives.
14. Write a short note on money market.
15. Explain the strategies of banks in order to minimize the foreign exchange risk.
16. Explain the importance of forward contracts.
17. Explain the role of clearing house in future contracts
18. Explain the features of commodity futures.
19. Distinguish between futures and options.
20. Discuss about the different types of interest rate swaps.
21. Explain the role of intermediaries in swap contracts.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Explain the features and importance derivative contracts.
23. Explain the advantages and disadvantages of forwards.
24. Discuss the uses of currency futures.
25. Explain the different types of Option pricing models.