

M.B.A. - II (CBCS Pattern) Sem-III  
**PCB3EB2 - Risk Management and Derivatives**

P. Pages : 1

Time : Three Hours



**GUG/W/22/10708**

Max. Marks : 70

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- Notes : 1. Attempt **any five** questions.  
2. All questions carry equal marks.

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| 1.  | How the risk and return of an asset can be measured? Explain with suitable example.  | 14 |
| 2.  | Discuss in detail Economic significance of Index Movements.  | 14 |
| 3.  | What are the prerequisites for futures and options market?   | 14 |
| 4.  | Evaluate the growth of derivatives market in India.  | 14 |
| 5.  | What are the basic assumptions underlying Binomial pricing model.  | 14 |
| 6.  | What are the problems faced by parties in forward contracting.   | 14 |
| 7.  | What do you mean by straddle? It is possible to make profit irrespective of increase or decrease in price of the underlying asset? | 14 |
| 8.  | What is meant by arbitrage profit.? How does it come into existence in foreign exchange market?                                    | 14 |
| 9.  | Explain credit derivatives, with suitable examples.  | 14 |
| 10. | Write a short note on <b>any two</b> .   | 14 |
|     | a) Swaps.  |    |
|     | b) International portfolio diversification and transfer pricing  |    |
|     | c) Futures derivatives   |    |
|     | d) Application of Index.   |    |

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