

0215119.

[Time: 2.30 Hours]

[Marks:75]

N.B.: All questions are Compulsory.

Q1(A) State Whether The Following Statement Are True Or False (any 8) (8 MARKS)

1. NIFTY includes stock of 30 blue-chip companies
2. Futures are exchange traded
3. Forward Contracts can be closer prior to delivery
4. Basis is future price minus spot price.
5. Short Position is taken by option seller.
6. Call Premium = Time Value + Intrinsic Value
7. Intrinsic Value of an ATM option is zero
8. OTC derivatives are highly standardized
9. Theoretical future prices is also called as fair price.
10. Forward Contracts are bilateral contracts.

Q1(B) Multiple choice questions(ANY 7)

(7 MARKS)

1. Payoff for seller of call option is called as-
 - a) Holder
 - b) Writer
 - c) Short put
 - d) None of above
2. The Primary Purpose of Derivatives product is to -
 - a) Transfer Ownership Writer
 - b) Financial Assets
 - c) Transfer Risk
 - d) Transfer Returns
3. Future and options are settled through
 - a) Clearing house
 - b) Banks
 - c) Brokers
 - d) Clients
4. The underlying asset for a derivative contract can be _____
 - a) Equity
 - b) Commodities
 - c) Interest rate
 - d) Any of the above
5. Current Market Price of a stock is called as _____
 - a) Derivatives Price
 - b) Forward Price
 - c) Spot Price
 - d) Delivery Price



6. An option which can be exercised at any time up to the expiration date is known as
- a) American option
 - b) European option
 - c) Call option
 - d) None of the above
7. _____ are the participants in the derivatives market.
- a) Speculators
 - b) Hedgers
 - c) Arbitrageurs
 - d) All of the above
8. European Option can be exercised _____
- a) On any date till maturity
 - b) At the maturity
 - c) Even Month
 - d) None of these
9. Time Value is always zero for which of the following options
- a) OTM
 - b) ITM
 - c) ATM
 - d) None of these
10. One who takes long position is called as _____
- a) Buyer
 - b) Seller
 - c) Writer
 - d) None of these

Q2.A) Explain types of derivatives?

(7 MARKS)

Q2.B) Explain derivatives as an underlying asset with suitable examples.

(8 MARKS)

OR

Q2(C) Explain derivatives and also elements of derivatives?

(7 MARKS)

Q.2 D Explain Advantages and disadvantages of derivatives?

(8 MARKS)

Q3.A) Explain types of stock market indices?

(7 MARKS)

Q3 (B) Explain selection criteria of index for trading?

((8 MARKS)

OR

Q.3 C) Explain Adjustments for corporate actions?

(7 MARKS)

Q.3 D) Discuss index management. State the major indices in India.

(8 MARKS)

Q. 4 (A) An investor buys 100 Nifty call options at a strike of Rs.8000 On July 15 .Nifty Index Is At Rs.8050 Premium Paid Rs.10,000 (Rs.100 Per Call X 100 Calls).
Explain call option with the answer.

(5 MARKS)

Q4 (B) Explain options and pricing fundamentals of option?

(10 MARKS)

OR

Q.4 (C) Explain payoff of put option with charts.

(7 MARKS)

Q4 (D) Explain Option and explain its types.

(8 MARKS)

Q5 (A) Short Note (Any 3)

(15 Marks)

1. Future price
2. Marking to market
3. option trading strategies
4. Strike price
5. limitation of forwards

OR

Q5 (B) Difference between futures and forwards?

(7 MARKS)

Q5. (C) Explain payoff with charts for options?

(8 MARKS)