

Time: 2 ½ Hours

Marks: 75

1 a) Give the full Forms Of (any 8)

(8)

1. ETF
2. FOREX
3. NAV
4. EPS
5. ROI
6. IPO
7. CAPEX
8. CDS
9. IRR
10. NPV

1 b) State whether the following statements are TRUE or FALSE (Any 7)

(7)

1. COSO ERM Framework has ten components.
2. Options Expires on the last Friday of every month.
3. Returns on Bonds have a high risk.
4. Political risk is maximum in countries with a stable government.
5. Unsystematic risk is a company specific or industry specific risk.
6. Forward markets provide a mechanism for price discovery.
7. Put option gives the buyer the right but not the obligation to sell an asset at a future date.
8. European Options can be exercised on any day up to maturity.
9. Future markets are very advantageous to farmers.
10. The underlying asset helps determine the price of a derivative.

Q-2

a) Describe in detail the roles and responsibilities of a manager to manage risk in a company. (8)

b) Explain the Option terminologies used in the Options Market. (7)

OR

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p) What are the features of a Bond Instrument? Explain in detail. (8)

q) Define a Futures Contract and explain its characteristics. (7)

Q- 3

a) Give an overview of Currency Market System in India. (8)

b) Explain the nature of the Options Instrument. (7)

OR

p) Describe in detail the causes of the 2007 Financial Crisis. (8)

q) What objectives Loan Review Mechanisms Work with? (7)

Q-4

a) Explain 3 BASEL guidelines given for Banking Regulations. (8)

b) What are the components of an ERM Framework? (7)

OR

p) Describe the stepping stones for Equity Markets in India. (8)

q) How can the credit risk can be measured by an organization? (7)

Q5)

a) Explain in detail the causes of the great depression of 1929 – 1939. (8)

b) What are Asset Backed Securities? Why are they important Financial Instruments? (7)

OR

c) Write Short Notes on (Any 3) (15)

1) Hedging Strategies

2) Credit Life Cycle

3) Basel III

4) Bond Ratings

5) Currency Markets in India
