



SDV – 22

M.Com. (Semester – IV) Examination, April 2012
(Accounting and Finance)
CO 4A2 : DERIVATIVES MARKETS

Duration: 2 Hours

Total Marks: 50

Instructions: 1) All questions are **compulsory**.
2) Figures to the **right** side indicate the marks.

1. Answer the following : (5×2=10)
- a) American options Vs European options.
 - b) What is Hedging ratio ?
 - c) What is delta in options ?
 - d) Futures Vs Forwards.
 - e) Spread risk.
2. A) What are Financial Derivatives ? Explain different types. 10
OR
B) Critically examine the regulatory mechanism of derivative markets in India.
3. A) What is Options Contract ? What are the options strategies used in ? 10
OR
B) Discuss how risk of options can be managed. How is volatility estimated ?
4. A) Explain Black-Scholes model for option pricing. Illustrate with example. 10
OR
B) Explain the market structure for commodities derivatives trading in India.
5. A) Define "Hedge Accounting". Discuss with an illustration. 10
OR
B) Explain the trading mechanism of Indian derivative market.