



SDV – 20

M.Com. (Semester – IV) Examination, April/May 2013
ACCOUNTING AND FINANCE
CO4A2 : Derivatives Markets

Duration : 2 Hours

Total Marks : 50

Instructions : 1) *All questions are compulsory.*
2) *Question no. 2 to Question no. 5 offers internal choice.*
3) *Figures to the right side indicate marks for each question.*

1. Answer the following : (5×2=10)
- a) Out of the money put option
 - b) Swaption
 - c) Kappa
 - d) Limit order
 - e) Future contract.
2. A) Discuss each of the following types of traders in a derivative markets :
hedgers, speculators and arbitrageurs. 10
- OR
- B) Discuss the regulatory mechanism of derivative markets in India. 10
3. A) Differentiate between buying a put option and writing a call option. Also discuss various option trading strategies. 10
- OR
- B) What are single stock futures ? How are they priced ? 10
4. A) Discuss Black and Scholes model for option pricing. 10
- OR
- B) Explain structure of commodity exchanges in India. 10
5. A) Discuss the various factors affecting the prices of options. 10
- OR
- B) Write short note on :
- a) Development of derivative trading in India.
 - b) Requirement for a successful derivatives markets. 10