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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2018

Program: BBA Core, Finance
Subject (Course): Financial Derivatives
Course Code : BBCF 150
No. of page/s: 2

Semester – IV
Max. Marks : 100
Duration : 3 Hrs

Section A **Section –A (Objective Type)**

(10* 2 Marks Each=20)

- Q 1) What is open outcry market.
- Q 2) Explain underlying asset with Example
- Q 3) Explain clearport swaps with example
- Q 4) Explain delivery price and how it is exercised
- Q 5) What is tick price in an exchange traded futures contract? How it is used?
- Q 6) What are the myths about derivatives?
- Q 7) What are financial derivatives explain it with its various types
- Q 8) Explain MTM calculation if prices are fluctuating, assume your own prices.
- Q 9) Differentiate Futures and Options?
- Q 10) How Long Call and Short Call took place

Section B
Short Answer Questions

(4* 5 =20)

Q 11) Write the month's codes of futures contract.

Q 12) What is cash settlement in forward contract?

Q 13) Define the ownership metrics of options.

Q 14) Differentiate futures and forward contracts.

Section C
Descriptive Questions

(10*3= 30)

Q 15) Write the name of any five exchanges where user can trade in derivatives.

Q 16) List out the methods of option price calculation and explain these in short.

Q 17) Explain the behavior of spot price Vs. futures price with the help of a graph.

Section D

Case Analysis

(15*2=30)

Q 18 a. Explain options with examples and in detail.

b. How a user can hedge his/her position in market if the purchased inventory of natural gas is 100 MT @ \$75/MT.

Q 19 a. Discuss different types of swaps in detail.

b. Explain the role of hedgers, speculators and arbitragers in the market.