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Register Number:

Name of the Candidate:

**B.B.A. DEGREE EXAMINATION, May 2015****(FINANCIAL PLANNING)****(THIRD YEAR)****710: DERIVATIVE AND COMMODITY MARKET**

Time: Three hours

Maximum: 100 marks

**SECTION-A****(10×2=20)****Answer ALL questions**

1. Give the meaning of Derivatives.
2. State the importance of Index number.
3. What do you mean by future contracts?
4. Define Option Strategy.
5. What is Derivatives Trading?
6. State the meaning of Stock Exchange .
7. What are Options Market Instrument?
8. What do you mean by 'Clearing Houses'?
9. What are the benefit of settlement mechanism?
10. What is Risk Management?

**SECTION-B****(4×10=40)****Answer any FOUR questions**

11. Explain the importance of Index Derivative.
12. Distinguish between forward contracts and future contracts.
13. How do you understand options on futures contracts?
14. Explain the importance of the futures markets.
15. How does settlement take place at the NSE?
16. Explain the margins protect investors against the possibility of default.

**SECTION-C****2×20=40)****Answer any TWO questions**

17. Explain the problems in the construction of Index Numbers.
18. Discuss the factors responsible for the growth of the derivatives market in the Global Financial System.
19. Explain the trading mechanism involved in the OTCEI.
20. Discuss the clearing settlement mechanism in case of Financial Derivatives.

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