

R09

Code No: E5316

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA - III Semester Examinations, Jan/Feb 2011

DERIVATIVES

Time: 3hours

Max. Marks: 60

**Answer any five questions
All questions carry equal marks**

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1. Explain the term financial derivatives, what are its important features? Explain with suitable examples.
2. Distinguish between forward contracts and future contracts with suitable examples?
3. Explain the features of options and its types? What are the differences between futures and options?
4. Define the swap. Explain its features advantages and disadvantages.
5. Explain currency futures.
6. Discuss the nature of currency swaps and explain different types of currency swaps.
7. What do you mean by Hedging? Explain the basic features of Hedging.
8. Spot price of one year non dividend paying stock is Rs.240/-Interest rate is 15%.Establish forward price using arbitrage argument. What transactions will be undertaken if the forward price is Rs.248/-.
