



**BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY
& MANAGEMENT STUDIES, BHUBANESWAR**

**Semester : 08TH IMBA
Batch : 2020-25
Subject: Financial Derivatives
Subject Code : 16IMN802B**

**Date : 09.04.2024
Class Test : II
Duration : 1 Hr.
Full Marks : 30**

PART-A

- 1. Answer any four out of following questions. (4 x 2 = 8)**
- a) What do you mean by cash and carry arbitrage? CO2
 - b) What do you mean by long hedge and short hedge? Give example. CO2
 - c) What do you mean by holder of call option? Give example? CO3
 - d) What do you mean by writer of a put option? Give example? CO3
 - e) What do you mean by writer of call option? Give example? CO3

PART-B

- 2. Answer any two questions out of following (2 x 6= 12)**
- a) Explain different option pricing models. CO3
 - b) Explain the different types of financial future contracts. CO2
 - c) We are considering a 1 year future contract on gold. The bid-ask price is Rs 102- 105. The transaction cost is 3%, the lending rate is 7% and borrowing rate is 9%. The broker gives 90% of proceeds of short sale. What is the value of upper bound of no arbitrage bound?
CO2

PART-C

- 3. Answer any one out of following questions. (1 x 10= 10)**
- a. A stock is currently priced as \$20 over each of the next two three month period, it is expected to go up by 10% and down by 10%. The risk free return is 12% per annum with continuous compounding. What is the value of 6 month European call option with a strike price of \$21?
CO3
 - b. Explain the meaning and types of swap with example. CO4

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Semester : 8TH IMBA

Batch : 2020-25

Subject: Security Analysis & Portfolio Mgmt.

Subject Code : 16IMN801B

Date : 09.04.2024

Class Test : II

Duration : 1 Hr.

Full Marks : 30

PART-A

1. Answer any four out of following questions. (4 x 2 = 8)

- a. The efficient frontier has a shape. (CO2)
- b. The efficient frontier, also known as the portfolio frontier, is a set of ideal or optimal portfolios. State true or False (CO2)
- c. Security X has a beta of 0.75. Calculate the expected return, if the risk free rate is 5 % and expected return from the market is 14 % (CO3)
- d. What is Sharpe index model? (CO3)
- e. How many parameters must be estimated to analyse the risk return profile of 50 stock using Markowitz model? (CO4)

PART-B

2. Answer any two questions out of following (2 x 6= 12)

- a. Given the following data calculate the one period return for two companies' "A" and "B"
(CO4)

	A	B
Beginning price	20	10
Ending Price	15	15
Dividend	1.50	2

- b. Differentiate between SML and CML (CO3)
- c. Explain Random walk theory in details (CO4)

PART-C

3. Answer any one out of following questions. (1 x 10= 10)

- a. How do you construct an optimal portfolio? Discuss the contribution of Harry Markowitz in portfolio selection. Explain with suitable diagram. Discuss its assumption and limitation too. (CO3)
- b. The following data are available to you as a portfolio manager. (CO4)

Security	Estimated Return(%)	Beta	Standard Deviation(%)
1	32	2.10	50
2	30	1.80	35
3	25	1.65	42
4	20	1.30	26
Market Index	16	1	25
Govt. Security	7.5	0	0

In terms of security market line, which of the securities listed above are undervalued?



**BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY
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Semester : 8TH IMBA
Batch : 2020-25
Subject: Advance Management Accounting
Subject Code : 16IMN803B

Date : 10.04.2024
Class Test : II
Duration : 1 Hr.
Full Marks : 30

PART-A

1. Answer any four out of following questions. (4 x 2 = 8)
- | | |
|------------------------------|-----|
| (a) What is By-product? | CO2 |
| (b) Define Marginal costing. | CO3 |
| (c) What is breakeven point? | CO3 |
| (d) What is variance? | CO4 |
| (e) Define EVA. | CO4 |

PART-B

2. Answer any two questions out of following (2 x 6 = 12)
- | | |
|---|-----|
| a. How activity based costing is an improvement over traditional costing System? Explain. | CO3 |
| b. Give classification of budget. | CO4 |
| c. Standard costing acts as an important tool for cost control. Explain. | CO4 |

PART-C

3. Answer any one out of following questions. (1 x 10 = 10)
- | | |
|--|--------------|
| a. Discuss "Make or Buy" decision with an example. | CO3 |
| b. Sale | Rs. 1,00,000 |
| Profit | Rs. 10,000 |
| Variable Cost | 70 % |
| Find out: | |
| (a) P/V Ratio | |
| (b) Fixed Cost | |
| (c) Sales Volume to earn a profit of Rs. 40,000. | CO3 |

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