



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2018-20)

CLASS TEST - I

Financial Derivatives (18MBA-302B)

Total Marks : 15

Time: 1 Hour

Answer all the questions. (1 X 5)

1. What is an 'Underlying Asset'?
2. What is initial margin?
3. What is the contract cycle?
4. What is Backwardation?
5. What is convenience yield?

Answer any two of the followings: (2 X 2.5)

1. Distinguish between Forwards and Futures.
2. What are the features of Derivative Contracts?
3. Explain the concept of margin in futures market.

Answer any one of the followings. (1 X 5)

1. What is a forward contract? What are the various types of forward contract? Explain.
2. Current Market price Rs. 500000

Risk Free Interest Rate = 5 %

Time to Expiration: 6 Months

Calculate the fair price of the asset and suggest an arbitrage strategy when (a) Quoted Forward Price is Rs. 505000 and (b) Quoted Forward Price is Rs. 517500.



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2017-19)

CLASS TEST - I

Financial Derivatives (MBA-305B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

I. Answer all the questions. (1 X 5)

1. What is an 'Underlying Asset'?
2. What is initial margin?
3. What is the contract cycle?
4. What is Backwardation?
5. What is convenience yield?

II. Answer any two of the followings: (2 X 2.5)

1. Distinguish between Forwards and Futures.
2. What are the features of Derivative Contracts?
3. Explain the concept of margin in futures market.

III. Answer any one of the followings. (1 X 5)

1. What is a forward contract? What are the various types of forward contract? Explain.
2. Current Market price Rs. 500000

Risk Free Interest Rate = 5 %

Time to Expiration: 6 Months

Calculate the fair price of the asset and suggest an arbitrage strategy when (a) Quoted Forward Price is Rs. 505000 and (b) Quoted Forward Price is Rs. 517500.



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2016-18)

CLASS TEST - I

Financial Derivatives (MBA-305B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

Answer all the questions. (1 X 5)

1. What is an 'Underlying Asset'?
2. What is initial margin?
3. What is the contract cycle?
4. What is Backwardation?
5. What is convenience yield?

Answer any two of the followings: (2 X 2.5)

6. Distinguish between Forwards and Futures.
7. What are the features of Derivative Contracts?
8. Explain the concept of margin in futures market.

Answer any one of the followings: (1 X 5)

9. What is a forward contract? What are the various types of forward contract? Explain.
10. Current Market price Rs. 500000

Risk Free Interest Rate = 5 %

Time to Expiration: 6 Months

Calculate the fair price of the asset and suggest an arbitrage strategy when (a) Quoted Forward

Price is Rs. 505000 and (b) Quoted Forward Price is Rs. 517500.



BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2015-17)

CLASS TEST - I

Financial Derivatives (MBA-305B)

Total Marks : 15

Time: 1 Hour

(Answer as per the instruction given in each question)

Answer all the questions.

1. (a) What is a derivative? (1 X 5) = 5
(b) What are OTC derivatives?
(c) What are forwards?
(d) What is cost of carry?
(e) What is convenience yield?

2. Answer any two from the following questions: (2 X 2.5) = 5

(a) Who are the players in a derivative market?
(b) Differentiate between forwards and futures.
(c) What are the various types of forward contracts?

3. Explain the various types of financial derivatives along with their features in brief. (1 X 5) =5

OR

Current Price of HLL share is Rs. 300 and is expected to pay no dividend over the next two years. The quoted forward price is Rs. 350. Assume a risk free interest rate of 5% per annum with continuous compounding. Whether there are any arbitrage opportunity and if yes what will be the profit to the arbitrageur?
