BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2018-20)

CLASS TEST - II

Financial Derivatives (18MBA-302B)

Total Marks : 15 **Time: 1 Hour**

(Answer as per the instruction given in each question)

1. Answer all the questions: (5 X 1)
   a) What are Option Greeks?
   b) What is a Straddle?
   c) What is an American Option?
   d) What is a currency swap?
   e) What is Short hedge?

2. Answer any two from the following questions. (2 X 2.5)
   a) What is option money-ness?
   b) Distinguish between Financial Derivatives and Commodity Derivatives.
   c) Distinguish between Futures and Options.

3. Define the concept of "swap"? Briefly discuss various types of swaps.

(1 X 5)

OR

Calculate the value of call option using following details.
Stock Price= Rs30/-
Exercise Price= Rs25/-
Risk Free Interest rate= 12% p.a.
Volatility=16%
Time = 3 Months
$N(d_1)$ = .836
$N(d_2)$ = .773
Use BSOPM.

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BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2017-19)

CLASS TEST - II

Financial Derivatives (MBA-305B)

Total Marks : 15 **Time: 1 Hour**

1. Answer all the questions: (5 X 1)
   a) What are Option Greeks?
   b) What is a Straddle?
   c) What is an American Option?
   d) What is a currency swap?
   e) What is Short hedge?

2. Answer any two from the following questions. (2 X 2.5)
   a) What is option money-ness?
   b) Distinguish between Financial Derivatives and Commodity Derivatives.
   c) Distinguish between Futures and Options.

3. Define the concept of "swap"? Briefly discuss various types of swaps.
   (1 X 5)

   OR

   Calculate the value of call option using following details.
   Stock Price= Rs30/-
   Exercise Price= Rs25/-
   Risk Free Interest rate= 12% p.a.
   Volatility=16%
   Time = 3 Months
   $N(d_1)$ = .836
   $N(d_2)$ = .773
   Use BSOPM.

BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2016-18)

CLASS TEST - II

Financial Derivatives (MBA-305B)

Total Marks : 15 **Time: 1 Hour**

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

   a) What are Option Greeks?
   b) What is a Straddle?
   c) What is an American Option?
   d) What is a currency swap?
   e) What is Short hedge?

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

   a) What is option money-ness?
   b) Distinguish between Financial Derivatives and Commodity Derivatives.
   c) Distinguish between Futures and Options.

3. Define the concept of "swap"? Briefly discuss various types of swaps. (1 X 5)

   OR

   Calculate the value of call option using following details.
   Stock Price= Rs30/-
   Exercise Price= Rs25/-
   Risk Free Interest rate= 12% p.a.
   Volatility=16%
   Time = 3 Months
   $N(d_1)$ = .836
   $N(d_2)$ = .773
   Use BSOPM.

BIJU PATNAIK INSTITUE OF IT & MANAGEMENT STUDIES

3rd SEMESTER (BATCH 2015-17)

CLASS TEST - II

Financial Derivatives (MBA-305B)

Total Marks : 15 **Time: 1 Hour**

(Answer as per the instruction given in each question)

1. Answer all the questions: (5 X 1)
   a) What are Option Greeks?
   b) What is the intrinsic value of an option?
   c) What are covered and naked options?
   d) What are the common types of swaps?
   e) What is plain vanilla interest rate swap?

2. Answer any two from the following questions. (2 X 2.5)
   a) What is option moneyness?
   b) Differentiate between futures and options.
   c) What are the various option trading strategies?

3. Explain the Binomial Option Pricing Model (BOPM) and illustrate how *u*, *d* and *p* are calculated? (1 X 5)

   OR

   From the following information calculate call option value and put option value using Black-Scholes Model:
   Current Market Price: Rs 100 per Share
   Exercise Price: Rs. 80 per Share
   Volatility of Share Price: 30%
   r =10% p.a.
   T = 3 Months
   Given Values: N (d_1) =0.9581 & N (d_2) = 0.9429
