D 143082 **(Pages : 2)** **Name.......................................**

Reg. No..................................

FOURTH SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY) EXAMINATION, APRIL 2026

(CBCSS)

Master of Commerce

MCM 4C 14—FINANCIAL DERIVATIVES AND RISK MANAGEMENT

(2019 Admission onwards)

Time : Three Hours Maximum : 30 Weightage

Answers should be written in English only.

Part A

Answer any **four** *questions.*
Each question carries 2 *weightage.*

1. What is meant by an underlying asset ? Give examples.
2. What is Option Premium ?
3. What is forward contract ?
4. What is market risk ?
5. What is a put option ?
6. What is Contango market ?
7. What do you mean by currency futures ?

(4 × 2 = 8 weightage)

Part B

Answer any **four** *questions.*
Each question carries 3 *weightage.*

8. What are the features of future contracts ?
9. Distinguish between call option and put option ?
10. What are the characteristics of an exchange traded option contract ?

Turn over

11. What is Straddle ? When it is used for speculation ?
12. Distinguish between commodity future and financial future ?
13. What are the advantages of derivative trading ?
14. Distinguish between hedgers and speculators in the derivatives market ?

(4 × 3 = 12 weightage)

Part C

Answer any **two** *questions.*
Each question carries 5 *weightage.*

15. Describe the different types of risk Management Instruments in Derivative Trading.
16. "Forward contracts are a part of everyday life". Explain ?
17. Explain different types of Swaps. How Swap reduce foreign exchange risk in trading ?
18. Describe the growth of financial derivatives markets in India.

(2 × 5 = 10 weightage)