

00933

**EXECUTIVE MASTER OF BUSINESS  
ADMINISTRATION (EXMBA)**

**Term-End Examination**

**December, 2012**

**MCTE-090 : DERIVATIVES**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt any five questions. All questions carry equal marks.*

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1. Define Option and explain the factors which determine the theoretical value of option. 20
2. Critically examine the Black and Scholes models. 20
3. Explain the tax implications of derivatives. 20
4. Why structured financial products have assumed importance in the current scenario ? Explain. 20
5. Explain the reasons why companies prefer to issue convertible securities. 20

6. Write notes on the following : 20
- (a) Swaption
  - (b) Hedging
7. Explain the difference between a futures and a forward contract giving examples. 20
8. Write notes on the following : 20
- (a) Warrant
  - (b) Commodity derivatives
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