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MFP-2

00554

POST GRADUATE DIPLOMA IN FINANCIAL MARKETS PRACTICE

Term-End Examination

December, 2012

MFP-2 : EQUITY DERIVATIVES

Time : 3 hours *Maximum Marks : 100*

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

1. What are derivatives ? Discuss the types of derivatives and common derivative contract types.

2. What are SWAPs ? Explain with examples currency and equity swaps.

3. Discuss the various Future market indicators. Explain the significance of volume and open interest in understanding the dynamics of the Futures market.

4. What are Call and Put Options ? Explain the payoffs related to Call and Put Option writing.

5. How is Future price adjusted when a company announces bonus issue and rights issue ?

6. What are Intrinsic Value and Time Value of an Option ? What drives these values ?

7. Explain the concepts of Gamma, Vega and Theta.

8. Discuss the various functions of Clearing Members and discuss the settlement mechanism of Future Contracts.