

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

Term-End Examination

June, 2013

**MCTE-089 : FINANCIAL ENGINEERING AND
RISK MANAGEMENT**

00495

Time : 3 hours

Maximum Marks : 100

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

1. Briefly explain the basis of valuation available for listed and unlisted companies. How do you ascertain the value of share, under 'capital asset pricing model' ?
2. What are derivatives ? Discuss the risks associated with derivatives.
3. What is 'Portfolio risk' ? Calculate portfolio risk of an portfolio consisting of 'n' assets. Distinguish between systematic and unsystematic risk.
4. Discuss the characteristics of fixed income securities. Explain how 'yield to call' and yield to maturity is calculated and differentiate between these two.

5. What is credit risk ? Discuss the different techniques used for credit risk mitigation.
 6. What are structured products ? Discuss the factors influencing launching of structured products.
 7. What is risk ? Why and how do companies hedge risk using derivatives ?
 8. What is portfolio management ? What are the factors that a portfolio manager should keep in mind while deciding on investments ?
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