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00104

MASTER OF BUSINESS ADMINISTRATION IN FINANCIAL MARKETS (MBAFM)

Term-End Examination

June, 2014

MCT-072 : QUANTITATIVE AND STATISTICAL TECHNIQUES FOR FINANCIAL MARKETS

Time : 3 hours *Maximum Marks : **100***

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

1. Explain the following : **4x5=20**
   (a) Independent and dependent event
   (b) Mutually exclusive and not mutually exclusive event
   (c) Probability functions
   (d) Certificate of Deposits (CD's)

2. What is Box and Whisker plot and Stem and Leaf diagram ? Discuss the application of these techniques. **20**

3. Explain the following : **4x5=20**
   (a) Expected return
   (b) Baye's rule
   (c) Joint and Marginal Probability
   (d) Monte Carlo Simulation

4. What are option Greeks ? Describe Delta, Gamma, Vega and Theta. 20

5. What is Arbitrage ? Explain the concept of 'cash and carry arbitrage and reserve cash and carry arbitrage' with suitable examples. 20

6. What is 'Hedging' ? Explain the different type of hedges and explain how is hedging done using Equity futures and Equity index futures ? 20

7. Discuss any four popular charting techniques of Technical Analysis. 20

8. Discuss the procedure for calculating the value of a call option as per the Black and Scholes model. 20