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MFP-02

MANAGEMENT PROGRAMME (MP)

Term-End Examination

June, 2024

MFP-02 : EQUITY DERIVATIVES

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

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

1. What are 'SWAP's ? Describe their main characteristics and applications. Explain the currency swaps with the help of a suitable example.
2. Explain the functioning of 'Trading cycle' for future and option contracts. Discuss the concept of 'Position Limits' and specify the same for various instruments and entities.
3. Describe the Future Market Indicators and explain the signals they generate.
4. What is a 'Put Option' ? Describe the factors that impact put option prices. Also describe the pay off of put option writer and buyer.

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5. How is the stock price adjusted when dividends and stock split are declared by the company ? Describe adjustment for derivative contracts for these type of corporate actions.
6. What is the purpose of using trading strategies using options ? Describe the various option strategies used for hedging purpose.
7. Discuss the clearing and settlement mechanism of option contracts on index and individual securities.
8. Who is a 'Clearing Member' ? Discuss the different types of clearing members and explain the clearing and settlement mechanism of futures contract.