

**SIXTH SEMESTER B. Com. DEGREE EXAMINATION, APRIL 2025**  
**(Regular/Improvement/Supplementary)**

**FINANCE**  
**GBCM6B17T: FINANCIAL DERIVATIVES**

**Time: 2 ½ Hours**

**Maximum Marks: 80**

**SECTION A: Answer the following questions. Each carries *two* marks.**  
**(Ceiling 25 marks)**

1. Who are arbitragers?
2. What is Exchange traded Derivative?
3. Name the different types of Swaps.
4. Distinguish between Call option and Put option.
5. Define Futures.
6. State the importance of Derivative market.
7. What are Underlying assets?
8. Define Derivatives.
9. What are OTC derivatives?
10. What do you understand by LIBOR?
11. Comment on Swaption.
12. Define Strangle.
13. What is Marking to Market?
14. State any two differences between Cash market and Derivative market.
15. Who are Swap facilitators?

**SECTION B: Answer the following questions. Each carries *five* marks.**  
**(Ceiling 35 marks)**

16. What are the economic functions of Swaps?
17. Enumerate the factors responsible for the growth of Financial Derivatives in India.
18. Define Stock Index Futures. What are its uses?
19. Discuss the advantages and disadvantages of Options.
20. Explain the mechanism of Currency Swaps.
21. Distinguish between Hedgers and Speculators.
22. What is Margin system? What are the different types of Margins?
23. Distinguish between Forwards and Futures.

**SECTION C: Answer any *two* questions. Each carries *ten* marks.**

24. Define futures. Give a brief account of various types of Futures. What are the features of futures?
25. Enumerate the fundamental option strategies with suitable examples.
26. Explain the various classification of Options.
27. Give an account on the growth and development of derivative market in India.

**(2 × 10 = 20 Marks)**