

Sub- Risk Management

Q.P. Code : 02348

[Time: $2\frac{1}{2}$ hours]

[Marks:75]

Please check whether you have got the right question paper.

N.B: 1) Attempt all the question.

2) Figures to the right indicate full marks.

- Q.1 A) Explain Liquidity Risk and its components. 08
 B) Explain 'investment in REIT' and give 3 categories of REIT 07

OR

- C) Briefly explain 'operational Risk' and 'Inflation Risk'? 08
 D) What is sensitivity Analysis? Briefly explain 'Delta' and 'Gamma' 07

- Q.2 A) Explain cross hedging, Long Hedging, and short Hedging. 08
 B) What is 'options'? give characteristics of options. 07

OR

- C) Explain Fundamental Analysis as one of the important market analysis. 08
 D) Give the various types of Derivatives 07

- Q.3 Calculate 15
 i) Expected Return and
 ii) standard deviation

Situation	probability	Stock 'A' Return %	Stock 'X' Return %
Boom	0.1	5	0
Normal	0.3	10	10
Recession	0.5	15	30
recovery	0.1	20	20

OR

- B) Manali has bought 1000 shares of ABC Ltd. At a price of Rs.180 per share. To hedge risk she sold 10 lots 15
 (1 lots=100 Shares) ABC Ltd. At Rs. 178 per share in futures market.

Calculate profit or loss to Manali if price on expiry will be

- i) Rs. 190 per share
 ii) Rs. 165 per share

- Q.4 A) What is credit risk? What are the types of credit risk?
B) What is swaptions ? Explain call swaptions and put swaptions

OR

- C) Explain significance of ALM in banks
D) Explain the techniques to hedge credit risk.
Q.5 Write short notes (any three)

- a) Duration
- b) Types of charts in technical analysis
- c) Convexity
- d) Va R
- e) BASEL Norms

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