

Q.P. Code : 02347**[Time: 2½ 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) Discuss the components of market Risk. 08

B) What is exchange rate Risk? Explain three types of exchanges Rate Risk. 07

OR

C) What is credit Risk? What are the various types of credit Risk? 08

D) State various Techniques of portfolio diversification. 07

Q.2 A) Discuss different strategies used for hedge funds. 08

B) Discuss various categories of private equity. 07

OR

C) "Option premiums are sensitive to six factors"- Explain those six factor in detail 08

D) Explain 5 Greek options briefly 07

Q.3 A) A corn farmer sells 20 futures contracts of 5000 bushels each at Rs 5/= per bushels. The spot price is 15

4/=per bushel At the time of harvesting which is 4 month from now if the price per bushels reaches

Rs.5.50/= , what is the basis at the time expiry of the contract? What is farmers gain and loss with reference to future price and spot price?

OR

B) Find out : 15

a) Expected Rate of Return

b) Standard deviation for stock 'A' and stock 'B'

Situations	probability	Returns	
		Stock A	Stock B
1	0.5	20%	25%
2	0.2	22%	22%
3	0.2	18%	20%
4	0.1	14%	12%

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Q.4 A) Explain various Hedging strategies

08

B) What is fundamental Analysis? Explain the components of fundamental Analysis.

07

OR

C) Explain various types of charts.

08

D) Discuss various types of Derivatives.

07

Q.5 Short notes (any three)

15

1. Duration

2. Economic Analysis

3. Interest Rate swaps

4. Liquidity Risk

5. ALM