99 : 1ST HALF-13 (d)-JP T.Y.F.M.(VI) Risk Managment

Con. 1213–13. BK–1916

sem VI

20/4/13

(2 Hours) [Total Marks :60

N.B. (1) Attempt **all** the questions.
(2) **Figures** to the **right** indicate **full** marks.

1. (a) Explain different types of Risk briefly. 8
(b) What are the advantages of investing in mutual funds ? Explain. 7

OR

(c) Explain Market Risk. What are its types ? 8
(d) What is diversification of funds ? What are the factors considered in diversification ? 7

2. (a) Explain 5 greek options. 8
(b) Write a note on Fundamental Analysis. 7

OR

(c) Explain various types of charts. 8
(d) What is Hedging ? Explain cross Hedging. 7

3. (a) Find out :— 15
(i) Expected Rate of Returns
(ii) Standard Deviation.

Situation	Probability	Stock A Returns %	Stock B Returns %
Normal	0·3	15%	20%
Recession	0·4	20%	18%
Boom	0·3	12%	16%

OR

(b) Mr. Ram had bought 1000 shares of XYZ Ltd., on 1st December, 2011 at 100/- per share. To hedge risk, Ram sold 10 future contract at a price of ₹ 110/- per share. (1 future contract is of 100 shares). Future contracts are December Expiry. On 25th December 2011, company announced its closing price, ₹ 115/- per share. Calculate gain/loss to Ram based on the position taken by him on 1st December, 2011. 15

4. (a) Explain Swap. What are the various types of Swap ? 8
(b) Explain Liquidity Risk and its components. 7

OR

4. Write short notes on any **three** :— 15
(a) Convexity
(b) Beta
(c) Hedge Ratio
(d) Basel Norms.
