

20 am 10/1/30pm

on day

T.Y.B.F.M. (Sem. VI) (15:25)
Sub: Risk Management

Library

QP Code : 15728

(2½ Hours)

[Total Marks : 75

- N.B. : (1) Attempt all the question
(2) Figures to the right indicate full marks

1. (a) Explain the different types of Risk briefly 8
(b) What is Market Risk ? Explain various component of Market Risk. 7
OR
(a) What is Credit Risk ? Explain the components of Credit Risk. 8
(b) Write a short note on Liquidity Risk 7
2. (a) Explain the catagories of Real Estate as one of the financial Assets. 8
(b) What are Hedge Funds ? Explain the characteristic of Hedge Funds. 7
OR
(a) Explain the factors of sensitivity of option premium 8
(b) Explain three forms Efficient Market Hypothesis 7
3. (a) Explain various types of Derivatives briefly 8
(b) Explain Fundamental Analysis as one of the Investment Analysis 7
OR
(a) Explain various Hedging strategies 8
(b) Explain Long Hedging and Short Hedging 7
4. (a) Following is the Investment details of Mr. A. Calculate gain or loss based on 15
his positions.
1.11.2010 Purchased 1000 shares of XYZ Ltd., at Rs. 150/- per share.
To hedge Risk he sold 10 future contract
(1 contract = 100 shares) in future market, at Rs. 160/- per share..
On 25th November 2010, Company declared its closing Rate as Rs. 120/=.
Future contract are of November Expiry.

OR

4. (b) The shares of ABC & PRQ are expected to provide the following Returns in 15
different situations.

Situations	Probability	ABC Ltd., Returns %	PQR Ltd., Returns %
Recession	.2	15%	18%
Boom	.5	25%	28%
Recovery	.3	22%	20%

Calculate standard Deviation and Expected Rate of Return for Both the
stocks.

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LY-Con. 693-15.

5. Write short notes on (any three) :-

- (a) Security Market Line (SML)
- (b) Bond Duration
- (c) Beta
- (d) Basel Norms
- (e) Inflation Risk

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