

**MANAGEMENT PROGRAMME / POST
GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

December, 2015

MFP-2 : EQUITY DERIVATIVES

Time : 3 Hours

Maximum Marks : 100

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- Note :** (i) Attempt *any five* questions.
(ii) All questions carry *equal* marks.
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1. What are derivatives ? Discuss the different types of derivatives and derivative contracts.
2. What are swaps ? What are the main characteristics of swaps ? Discuss the different types of swaps ?
3. Explain the trading strategies that can be used to avoid risks associated with futures trading.
4. What are the important dates that need to be taken care off while adjusting the stock prices when dividend is paid out ? Explain the adjustment of derivative contract when company announces dividends.
5. Discuss how the put option price is derived and the factors that drive this price.

6. What is 'Delta' and how is it interpreted ? How are the deltas of various strikes of calls designed mathematically ?
 7. Explain the clearing and settlement mechanisms of futures and options contract.
 8. Write short notes on the following :
 - (a) Cross margining
 - (b) Long condor
 - (c) Types of hedges
 - (d) Equity swap
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