

# DERIVATIVE MARKET OPERATIONS (794)

## Sample Question Paper

### ClassXII - 2018-19

Time: 3Hours

Max. Marks:60

#### General Instructions:

1. Question paper is divided into two sections: Section-A and Section- B.
2. Section–A:
  - i. Multiple choice question/Fill in the blanks/Direct Questions of 1 mark each. Answer any 10 questions out of the given 12 questions.
  - ii. Very Short Answer of 2 marks each. Answer any 5 questions from the given 7 questions.
  - iii. Short Answer of 3 marks each. Answer any 5 questions from the given 7 questions.
3. Section–B: Long/Essay type questions of 5 marks each. Answer any 5 questions from the given 7 questions.
4. All questions of a particular section must be attempted in the correct order.
5. Please check that this question paper contains 33 questions out of which 25 questions are to be attempted.
6. The maximum time allowed is 3 hrs.

#### SECTION –A

#### Answer any 10 questions out of the given 12 questions:

1. Define Derivatives? (1)
2. What is Option Contract? (1)
3. What is the base year and base Value of Nifty index? (1)
4. What are Macroeconomic factors affect the Market Index? (1)
5. Define Beta? (1)
6. Which derivative application consider beta to minimize the risk in cash market? (1)
7. What is unsystematic risk? (1)
8. Define Intrinsic Value? (1)
9. Define Time Value? (1)
10. When Black-Scholes option pricing Model Was Developed? (1)
11. How many options available in 5-1-5? (1)
12. Is ULIP defining as 'Securities' under SC(R) A, 1956? (1)

#### Very Short Questions: (2 marks each).

#### Answer any 5 questions out of the given 7 questions:

13. Explain SWAP? (2)

14. Describe Free Float Market Capitalization? (2)
15. Write the difference between Forward and Future? (2)
16. Write the difference between Initial Margin and Mark to Market Margin? (2)
17. Describe the application Bullish Securities, Buy Future? (2)
18. Explain long securities, sell future with suitable example? (2)
19. Describe contract Specification of index option? (2)

**ShortQuestions: (3marks each).**

**Answer any 5 questions out of the given 7 questions:**

20. Differentiate Trading Underlying Vs Trading Single Stock Future? (3)
21. How index pricing take place? (3)
22. Write the eligibility criteria of stock for trading in derivative? (3)
23. Write the requirements to become authorized /approved user? (3)
24. How corporate actions adjust in derivative segment? (3)
25. What is STT? Find STT of the following? Mr. A. sells a futures contract of M/s. XYZ Ltd. (Lot Size: 1000) expiring on 29-Sep-2005 for Rs. 300. The spot price of the share is Rs. 290. (3)
26. Explain Taxation of Derivative Transaction in Securities? (3)

**SECTION –B**

**Long/Essay type questions (5 marks each).**

**Answer any 5 questions out of the given 7 questions:**

27. Explain Bull Spread diagrammatically? (5)
28. Explains Black –Scholes with its features? (5)
29. Explain Greeks of Option contract? (5)
30. Describe Corporate Hierarchy? (5)
31. Draw Table of Contract Specification of stock future and stock option? (5)
32. Explain NSCCL-SPAN? (5)
33. NSCCL has developed a comprehensive risk containment mechanism for the F&O segment. Describe it? (5)