

DERIVATIVE MARKET OPERATIONS (794)

Sample Question Paper

Class XII - 2018-19

Time: 3 Hours 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. Can hedgers be part of derivatives market? (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. Name 2 types of Options. (1)
12. Who can be a writer of an Option? (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.If you have bullish view in the market, how will you implement this strategy using futures? (2)
- 18.What is hedging? How futures can help you, in hedging your position? (2)
- 19.Describe contract Specification of index option? (2)

Short Questions: (3 marks 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 person or 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. Explain salient features of Black –Scholes option pricing model? (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)
