R22 Regulation *Subject code: D143FE2*

TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

(Autonomous, Accredited by NAAC with 'A+' Grade)

MBA III Semester Regular/Supplementary Examinations, February 2025

RISK MANAGEMENT AND FINANCIAL DERIVATIVES

Maximum Marks: 60 Date:12.02.2025 Duration: 3 hours

Note: **1.This question paper contains two parts A and B.**
2. Part A is compulsory which carries 10 marks. Answer all questions in Part A.
3. Part B consists of 5 Units. Answer any one full question from each unit.
4. Each question carries 10 marks and may have a, b, c, d as sub questions.

Part-A		CO	Bloom Tx
All the following questions carry equal marks	(10X1M=10 Marks)		
1.a)	Define Risk and Its types.	1	I
b)	Distinguish between Business Risk & Financial Risk.	1	IV
c)	Define Credit Risk.	2	I
d)	Outline the issues of Operational Risk?	2	II
e)	List the participants in Derivative market	3	I
f)	List the parties to the future contract?	3	I
g)	Define Option.	4	I
h)	Classify the styles of Options?	4	II
i)	Explain the Concept of SWAP?	5	II
j)	List the Commodity SWAPs?	5	I

Part-B		CO	Bloom Tx
Answer All the following questions.	(5X10M=50Marks)	CO	Bloom Tx
2	Outline the steps involved in Risk Management Process. [10M]	1	II
	OR		
3	Classify the Risks of Individuals & Companies with a suitable example. [10M]	1	II
4	Analyze the Nature and Scope of Basel Norms. [10M]	2	IV
	OR		
5	Demonstrate the uses of Capital adequacy ratio. [10M]	2	II
6	Outline the features of Future contract. [10M]	3	II
	OR		
7	Demonstrate the specifications of future contract. [10M]	3	II
8	Explain the classification of Option contracts. [10M]	4	II
	OR		
9	Explain the determinants of Option price. [10M]	4	II
10	Explain the concept of Equity SWAP & Its applications. [10M]	5	II
	OR		
11	Outline the Economic motives of SWAP Contracts. [10M]	5	II