

School of Finance and Commerce

Department of Finance and Commerce
Mid Term Examination

Exam Date: 30 Sep 2023

Time : 90 Minutes

Marks : 50

Sem V - H1UC503T - Commodity Derivatives and Real Estate Markets

Your answer should be specific to the question asked

Draw neat labeled diagrams wherever necessary

- 1) What do you understand by the term Contract Size? K2 (2)
- 2) What are the difference between exchange traded and OTC derivatives? K1 (3)
- 3) Explain the features of Derivatives in detail. K2 (4)
- 4) Explain briefly all the features and specifications of stock or index futures. K2 (6)
- 5) Identify the benefits of commodity derivatives. K3 (6)
- 6) Consider a six-month long forward contract of a non-income-paying security. The risk free rate of interest is 6 percent per annum. The stock price is Rs.60 and the delivery price is Rs. 56. Compute the value of forward contract. K3 (9)
- 7) Distinguish between forward contract and future contract? K4 (8)
- 8) A swap is a derivative contract between two parties that involves the exchange of pre-agreed cash flows of two financial instruments. In the light of the above statement analyze the types of swaps. K4 (12)

OR

Distinguish between Interest Rate Swap and Currency Swap. K4 (12)