

ANURAG Engineering College**(An Autonomous Institution)****II MBA I Semester Regular Examinations, Jan/Feb–2024****RISK MANAGEMENT AND FINANCIAL DERIVATIVES****(MASTER OF BUSINESS ADMINISTRATION)****Time: 3 Hours****Max. Marks: 60****Section – A (Short Answer type questions)****(10 Marks)****Answer All Questions**

	Course Outcome	B.T Level	Marks
1. What is Unsystematic Risk?	CO1	L1	1M
2. Define Business Risk?	CO1	L1	1M
3. Illustrate the term VaR?	CO2	L1	1M
4. What is the need of Basel Norms?	CO2	L2	1M
5. Write any two important uses of Derivatives?	CO3	L2	1M
6. Explain the term Future Contract?	CO3	L2	1M
7. List the various types of Option?	CO4	L1	1M
8. Write a note on Option Strategies?	CO4	L2	1M
9. Mention the important features of SWAP?	CO5	L2	1M
10. What is Weather Derivatives?	CO5	L1	1M

Section B (Essay Questions)**Answer all questions, each question carries equal marks.****(5 X 10M = 50M)**

11. A) Explain the difference between Business Risk and Financial Risk in Risk Management?	CO1	L2	10M
OR			
B) Evaluate the steps in the Risk Management Process?	CO1	L2	10M
12. A) Discuss the vital aspects of BASEL Norms – I, II, III?	CO2	L2	10M
OR			
B) Explain the management of Interest rate risk with its different types?	CO2	L2	10M
13. A) Explain the features of various Future Contracts with example?	CO3	L3	10M
OR			
B) Discuss pricing of commodity futures using Cost of Carry Model?	CO3	L3	10M
14. A) What is the various assumption of Binomial Pricing Model? Also discuss one step binomial pricing model with hypothetical examples?	CO4	L3	10M
OR			
B) Explain the principles of Call and Put Option Pricing?	CO4	L2	10M
15. A) Define SWAPs? Explain the various types of Swaps?	CO5	L2	10M
OR			
B) Explain the Pricing and Valuing of Commodity Swap?	CO5	L3	10M

