

**BONAM VENKATA CHALAMAYYA INSTITUTE OF TECHNOLOGY & SCIENCE
(AUTONOMOUS)**

II – MBA II - Semester Regular Examinations (BR23), May - 2026

Financial Risk Management and Derivatives (MBA)

Time: 3 hours

Max. Marks: 70

PART - A Answer ONE Question from each UNIT (5 x 12 = 60 Marks)

All Questions Carry Equal Marks

PART - B Compulsory (1 x 10 = 10 Marks)

PART -A

UNIT-I		Marks	CO	BL
1.a)	Define Risk? Explain the nature and scope of Risk?	6M	CO1	BL1
b)	Discuss about the sources of Risk?	6M	CO1	BL6
OR				
2.a)	Elaborate the types of Risk?	6M	CO1	BL6
b)	Illustrate the Reporting Process of Risk?	6M	CO1	BL2
UNIT-II		Marks	CO	BL
3.a)	Distinguish CaR and VaR?	6M	CO2	BL4
b)	Discuss about Asset - Liability Management (ALM)	6M	CO2	BL6
OR				
4.a)	Explain How to Measure and Manage Risk?	6M	CO2	BL2
b)	Explain about Management of Interest Rate risk and credit risk?	6M	CO2	BL2
UNIT-III		Marks	CO	BL
5.a)	Explain the types of Derivatives?	6M	CO3	BL2
b)	Describe the SEBI Guidelines related to Derivatives trading?	6M	CO3	BL4
OR				
6.a)	Explain the Regulations to Derivatives trading in India?	6M	CO3	BL2
b)	What are the uses of Derivatives ?	6M	CO3	BL1
UNIT-IV		Marks	CO	BL
7.a)	Explain the concepts of Futures and Forwards?	6M	CO4	BL2
b)	Illustrate the basic Hedging Practices?	6M	CO4	BL2
OR				
8.a)	Distinguish Cash Settlement and physical settlement?	6M	CO4	BT4
b)	Explain Commodity Futures and currency futures?	6M	CO4	BL2
UNIT-V		Marks	CO	BL
9.a)	Define Option? Explain terminology and types of Option?	6M	CO5	BL1
b)	Differentiate European and American calls and puts?	6M	CO5	BL5
OR				
10.a)	Define Swaps and explain various types of Swaps?	6M	CO5	BL1
b)	Describe the participants in Options Market?	6M	CO5	BT4

PART – B

CASE STUDY

		Marks	CO	BL
11	A Stock price is currently trading at Rs.100. Over each of the next two six month period it is expected to go up by 10% or down by 10%. The risk free interest rate is 8% per annum with continuous compounding. Calculate the value of a one year European call option with strike price of Rs.100.	10M	CO5	BL5
