Code No. 12181/NON-CBCS/O

FACULTY OF MANAGEMENT

M.B.A. IV – Semester (NON-CBCS) (Old) Examination, October 2020

Subject : Financial Risk Management

Course No. : Elective – IV (Finance)

Time : 2 hours **Max. Marks : 80**

Section – A

Note : Answer any five questions. ***(5x4 = 20 Marks)***

1) Capital market risk
2) Internal Risk reporting process
3) Cash flow at risk
4) Exchange rate risk
5) Arbitrageurs
6) Hedge ratio
7) Currency swaps
8) Interest rate swaps
9) Block & Scholes options
10) American option

Section – B

Note : Answer any four questions. ***(4 X15 = 60 Marks)***

11. Explain need and scope of risk in detail?

12. How do you view Risk in Financial institutions?

13. What are the Non-Insurance methods of Risk Management? Explain in detail.

14. How do you manage Risk when risk is measured by VaR and CaR?

15. What role does Derivative securities play to manage risk?

16. Distinguish between Forward contracts and Futures contract?

17. What is the difference between Interest rate swaps and currency swaps?

18. How do you price Interest rate swaps at origination and after origination?

19. Define options? Explain call option, put option, American option and European option.

20. How do you pricing of call and put options at expiration and before expiration.

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