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B.M.S. COLLEGE FOR WOMEN, AUTONOMOUS

BENGALURU – 560004

SEMESTER END EXAMINATION – SEPT/OCT 2023

M.Com – 2nd Semester

RISK MANAGEMENT & DERIVATIVES

Course Code: MCM202T

Duration: 3 Hours

QP Code: 12013

Max. Marks: 70

SECTION – A

1. Answer any SEVEN questions. Each question carries TWO marks. (7X2=14)

- a. Define the term Risk Management.
- b. What do you mean by Loan Review Mechanism?
- c. What do you mean by swaps?
- d. Expand MIBOR and LIBOR
- e. Define the term Derivatives.
- f. Give the meaning of Systematic Risk.
- g. What is yield curve?
- h. What do you mean by risk control?
- i. What is Credit Risk?
- j. What is a Peril?

SECTION – B

Answer any FOUR questions. Each question carries FIVE marks. (4X5=20)

2. Briefly explain the process of risk management.
3. Explain the participants of derivative market.
4. Bring out the principles of credit risk management.
5. What is market risk? Explain its significance.
6. Difference between Futures and Forwards Contract
7. Explain the features of options contract.

SECTION – C

Answer any TWO questions. Each question carries TWELVE marks. (2X12=24)

8. Differentiate between Forwards, Futures and Options.
9. Discuss in detail the challenges of operational risk management.
10. What is Value at Risk (VaR) model? Briefly explain the various credit risk management models?
11. Explain the role of risk management practices in business.

SECTION – D
Skill-Based Question

(1X12=12)

12. Describe the evolution of Derivatives in Indian financial market along with Factor Contributing to the growth of Derivatives Market in India?

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