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Reg. No. : .....

Name : .....

Fourth Semester M.Com. Degree Examination, June 2025

Elective – Finance

Paper II : CO 242F : RISK MANAGEMENT AND DERIVATIVES

(2018 Admission Onwards)

Time : 3 Hours Max. Marks : 75

SECTION – A

Answer **all** questions. Each carries **2** marks.

1. What is the difference between risk and uncertainty?
2. What is the link between risk cause, risk event and risk effects?
3. What is Enterprise Risk Management?
4. What is Risk management audit?
5. What is the difference between European option and American option?
6. Which are the types of swaps?
7. Which are the factors affecting option prices?
8. Which are the different types of exotic options?
9. What is the Cost of Carry Model?
10. What is a credit derivative?

(10 × 2 = 20 Marks)

P.T.O.

SECTION – B

Answer any **five** questions. Each question carries **5** marks.

11. Explain the significance of categorization of risks.

12. Which are the methods of handling risk?

13. Which are the steps of the risk management process?

14. What are the benefits of risk management?

15. What are the functions of derivatives markets?

16. Explain the types of hedging strategies using derivatives

17. Write a note on the different types of option Greeks

18. Write a detailed note on Governance, Risk, and Compliance (GRC)

(5 × 5 = 25 Marks)

SECTION – C

Answer any **two** of the following questions. Each question carries **15** marks.

19. Which are the different types of risks?

20. Write a note on the Accounting for options.

21. Explain the nature and features of futures contracts.

22. Write a note on option pricing models.

(2 × 15 = 30 Marks)

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