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MFP-02

**MANAGEMENT PROGRAMME/POST
GRADUATE DIPLOMA IN
FINANCIAL MARKET PRACTICE
(MP/PGDFMP)**

Term-End Examination

June, 2025

MFP-02 : EQUITY DERIVATIVES

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : Attempt any ***five*** questions. All questions carry equal marks.

1. What are Futures and Forwards ? Describe the characteristics of these instruments and explain how futures instruments are different from forward instruments.

2. Describe the characteristics of SWAP markets. List the various kinds of SWAPs and explain their applications.
3. What are Index and Stock Futures ? Explain the various Futures market indicators and describe the significance of volume and open interest in understanding the dynamics of futures market.
4. What is Hedging ? Explain various types of hedges and describe how index and stock Futures can be used for the purpose of hedging.
5. What is a Call Option ? Describe the factors affecting call option price and their impact of call option price.
6. Explain the following option strategies used for speculation :
 - (a) Bull spread using Call and Put option
 - (b) Long and Short Straddle
 - (c) Long and Short Strangle
 - (d) Long and Short Butterfly

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7. What is Delta ? How is delta of Calls and Put options calculated for various strike prices ?
8. Discuss the Accounting process of options. Explain the relevant Accounting Standards used for this purpose.

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