No. of Printed Pages : 2 **MFP–002**

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

## Term-End Examination

## June, 2026

### MFP–002 : EQUITY DERIVATIVES

*Time : 3 Hours* *Maximum Marks : 100*

*Weightage : 70%*

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***Note :*** *(i) Attempt any* ***five*** *questions.*

*(ii) All questions carry equal marks.*

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1. What are Derivatives ? Discuss the different types of Derivative Contracts and elaborate the uses of derivatives.

2. What are Future Contracts ? How are the Futures different from Forwards ?

3. What is Call Option and Put Option ? Describe the method of settlement used in Indian Equity Derivative segment at present.

4. What is the difference between Stock Split and Bonus Issue ? How is future price adjusted when company announced bonus issue ?

5. Why do exchanges provide several strike prices for trading in Options ? When would you buy At The Money (ATM), In The Money (ITM) and Out of The Money (OTM) strikes ?

6. Explain the Option strategies that can be used for Hedging. For each strategy create a payoff diagram.

7. Explain the concept of 'Margining' and discuss how does it work for Futures and Options ?

8. Write short notes on any *four* of the following :

   (a) Intrinsic Value

   (b) Standard Deviation

   (c) Value at Risk

   (d) Arbitrage

   (e) Equity Spot Market

   (f) THETA

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