



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

Roll No.....

POST GRADUATE DIPLOMA IN MANAGEMENT
PGDM Batch
Academic Session- 2021-22
QUIZ TERM -V FDRM

Subject Name- Financial Derivatives and Risk Management

Subject Code: FDRM

Name of Student

Time: 1 Hr

Marks Obtained

Max Marks: 20

1.) If a person takes short position in option than his profit his :

- a.) unlimited and loss is limited
- b.) is limited and loss is also limited
- c.) is limited and loss is unlimited**
- d.) is limited and no chance of loss

2.) Suppose a person buys call in reliance than his point of view regarding share of reliance is

- a.) bullish**
- b.) bearish
- c.) neutral
- d.) none of the above

3.) Suppose a person sells put of script than his view point regarding script is

- a.) bullish**
- b.) bearish
- c.) neutral
- d.) none of the above

4.) Suppose Mr A sells put of Rs 40 of Infosys of strike price Rs 1900 having lot size 300. Suppose the price on expiry is 1920. Calculate the profit of A

- a.) 6000
- b.) 12000**
- c.) 18000
- d.) Loss of Rs 6000

5.) Suppose Mr X buys call of Rs10 of Infosys of strike price Rs 1900 having lot size 300. Suppose the price on expiry is 1920. Calculate the profit of A

- a.) 3000**
- b.) 12000
- c.) 18000
- d.) Loss of Rs 6000

6.) In case the option is in the money than who will be in the profitable position

- a.) buyer**
- b.) seller
- c.) neither buyer nor seller
- d.) none of the above

7.) In case if you buy the futures your view on the script is

- a.) bullish**
- b.) bearish
- c.) neutral
- d.) none of the above

8.) In case if you sell future you can cover yourself by

- a.) buying call option**

- b.) selling call option
- c.) buying put option
- d.) selling put option

9.) In case of long strangle the view point of strategy maker is

- a.) bullish
- b.) bearish
- c.) neutral
- d.) market will give a breakout

10.) In case of long straddle strategy the view point of strategy maker is

- a.) market will be volatile
- b.) market will be neutral
- c.) market will be bullish
- d.) market will be bearish

11.) In market terms if we buy any scrip we call it as

- a.) Long position
- b.) Short Position
- c.) Right Position
- d.) Left Position

12.) To square off the long position we are required to take

- a.) Right Position
- b.) Left Position
- c.) Long Position
- d.) Short Position

13.) Which of the following statement is not correct

- a.) In Market one is loser than other is winner
- b.) By using hedging we minimise our risk
- c.) In Arbitrage profit is not affected irrespective of position
- d.) In case of long position in any scrip person has bearish point of view

14.) If we have bullish point of view but we need to hedge ourselves from sudden dip in the scrip than we use

- a.) Bull put Strategy
- b.) Bear Call Strategy
- c.) Bear Put Strategy
- d.) Bull Call strategy

15.) Which is most risky option derivative in current scenario

- a.) binary trading
- b.) Call option buying in SEBI regulated stocks
- c.) Call option selling in SEBI regulated stocks
- d.) Put option buying in SEBI regulated stocks

16.) Market is too risky if we

- a.) do not understand risk
- b.) analyse risk
- c.) manage risk
- d.) all of the above

17.) In Case of future price of reliance is 2500 and Current market price is 2450 and lot size is 100. Then total profit on arbitrage will be

- a.) 5000
- b.) 2500
- c.) 10000
- d.) NIL

18.) Which of the following is not a commodity

- a. Crude Oil
- b. Natural Gas
- c. Cryptocurrency
- d. Gold

19.) Bull Put + Bear Call Strategy=

- a.) Collar Spread
- b.) Strangle
- c.) Straddle
- d.) Butterfly

20.) Which of the following tool is used to measure risk

- a.) VAR
- b.) LAR
- c.) MAR
- d.) QAR

21.) The main difference between future and forward is

- a.) Both are same thing and there is no difference
- b.) Futures are done in regulated market and forwards in non regulated market
- c.) Forwards are done in regulated market and futures in non regulated market
- d.) In case of future there is counter party risk

22.) The future moves

- a.) in same direction as the derived Asset
- b.) in opposite direction of derived Asset
- c.) does not move remains neutral
- d.) derived asset is not correct parameter

23.) In case a person buys call at strike price 1500 and expiry price is 1520 then such call is

- a.) In the money
- b.) Out of money
- c.) At the money
- d.) Insufficient data

24.) In case Bull put strategy our profit is

- a.) Limited and loss is not limited
- b.) Unlimited and loss is limited
- c.) limited and loss is limited
- d.) unlimited and loss is unlimited

25.) In case we are let down by other party in trade than such risk is

- a.) Counter Party Risk
- b.) Operational Risk
- c.) Compliance Risk
- d.) Interest Rate Risk

26.) In case of restriction by import of goods by indian government of chinese product than such risk is

- a.) Counter Party Risk
- b.) Operational Risk
- c.) Compliance Risk
- d.) Political Risk

27.) In Nifty how many stocks are there

- a.) 20
- b.) 30
- c.) 40
- d.) 50

28.) Profit in case of buying put option increases in case the

- a.) price of scrip increase
- b.) Price of scrip decreases
- c.) Price of scrip remains same
- d.) Price of scrip fluctuates heavily in any direction

29.) Bullish view point means

- a.) Expectation of the scrip price to increase
- b.) Expectation of scrip price to decrease
- c.) Expectation of scrip price to remain neutral
- d.) Expectation of scrip price to fluctuate heavily in one direction

30.) Bearish view point means

- a.) Expectation of the scrip price to increase
- b.) Expectation of scrip price to decrease**
- c.) Expectation of scrip price to remain neutral
- d.) Expectation of scrip price to fluctuate heavily in one direction

31.) Neutral view point means

- a.) Expectation of the scrip price to increase
- b.) Expectation of scrip price to decrease
- c.) Expectation of scrip price to remain neutral**
- d.) Expectation of scrip price to fluctuate heavily in one direction

32.) The 6 month forward price is 208.18. The borrowing rate is 8% p.a. What should be spot price

- a.) 200**
- b.) 216
- c.) 193
- d.) 287

33.) Buying Call of higher price and selling call of lower price is

- a.) Bull Put Strategy
- b.) Bear Call Strategy**
- c.) Strangle Strategy
- d.) Straddle Strategy

34.) Selling Put of higher price and buying Put of lower price is

- a.) Bull Put Strategy**
- b.) Bear Call Strategy
- c.) Strangle Strategy
- d.) Straddle Strategy

35.) In case of perfect hedging profit is

- a.) positive
- b.) negative
- c.) zero**
- d.) can't say

36.) In case of Imperfect hedging profit is

- a.) positive
- b.) negative
- c.) zero
- d.) can't say**

37.) In case A and B agreed for forward contract of any commodity and A has profit of Rs 1,00,000 than B will be in

- a.) Loss of Rs 100,000**
- b.) Profit of Rs 100,000
- c.) Neutral
- d.) Can't say

38.) If Current price is less than your estimated price than you should take

- a.) Short Position
- b.) Right Position
- c.) Left Position
- d.) Long Position**

39.) If Current price is more than your estimated price than you should take

- a.) Short Position**
- b.) Right Position
- c.) Left Position
- d.) Long Position

40.) In case of short strangle the view of strategy maker is

- a.) market will remain range bound**
- b.) market will be highly volatile
- c.) market will remain neutral
- d.) none of the above