

Roll No.

Total Pages : 02

MMS/M-20

13050

FINANCIAL ENGINEERING

FM-401

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt *Six* questions in all. Q. No. **1** is compulsory.

1. State and explain the following :
 - (i) Need of financial engineering
 - (ii) Interest rate swaps
 - (iii) Value at risk
 - (iv) Hybrid securities
 - (v) Features of financial derivatives. **5×4=20**
2. Describe the factors influencing value of financial instruments and products. **10**
3. What are financial engineering tools ? Explain. **10**
4. State and explain, in brief, option trading strategies. **10**
5. Explain Black Scholes option pricing model. **10**
6. What do you mean by securitisation ? How effective it has been in India to create value ? Explain. **4+6=10**

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7. Write a detailed note on the 'Option on Debt Instruments'. **10**
8. Describe, in brief, essentials of corporate risk management. **10**
9. How effective is capital structure in risk hedging in reference to investment timeline ? Explain. **10**