

Time: 2 ½ Hours

Marks: - 75

N.B

1. All Questions are Compulsory.
2. Numbers to the right indicate marks.

**Q1. A) Multiple Choice Question: (Any 8)**

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1. 1 GBP = Rs. 117.89, it is a direct quote for \_\_\_\_\_.  
a. UK    b. USA    c. India    d. None of these
2. Current Market Price of a Stock is called as \_\_\_\_\_.  
a. Spot Price    b. Derivative Price    c. Forward Price    d. Delivery Price
3. \_\_\_\_\_ is based on the Concept of "Law of One Price"  
a. IRP Theory    b. Fishers Parity Theory    c. PPP Theory  
d. None of the above
4. In Option's Contract, the party who gets the right (to buy or sell) is \_\_\_\_\_.  
a. Buyer    b. Seller    c. Both of them    d. None of them
5. Current Price of ABC Stock is Rs.300. Rs.290 strike call is quoted at Rs.40. What is the Time Value?  
a. -30    b. 30    c. -10    d. 10
6. In Holgate Principle, if Bid < Ask, Swap Points for forward rates are to be \_\_\_\_\_.  
a. Added    b. Multiplied    c. Subtracted    d. Divided
7. A Rate at which a Bank Buys a Currency is called as \_\_\_\_\_.  
a. Ask Rate    b. Spread Rate    c. Bid Rate    d. Mid-Rate
8. Exchange Rates are determined in \_\_\_\_\_.  
a. Stock Market    b. Foreign Exchange Market    c. Capital Market    d. Money Market
9. The risk of an exchange rate changing between the transaction date and the subsequent settlement date is called \_\_\_\_\_ risk.  
a. Economic    b. Translation    c. Transaction    d. None of the above
10. A process of valuing underlying assets in a futures contract at the end of each trading day is \_\_\_\_\_.  
a. Mark to Market    b. OTC Trading    c. Intra Day    d. Hedging

**Q1. B) Multiple Choice Question: (Any 7)**

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GROUP A	GROUP B
1. Speculators	a. To reduce the Risk
2. Forwards	b. T + 2
3. Spread	c. Buying one OTM Put & Selling one ITM Put
4. Put Option	d. In-the-Money
5. Bid	e. Buying a Call Option
6. Long Call	f. 1 / Ask
7. Spot Price > Strike Price	g. Option to Sell
8. Bull Put Spread	h. Ask - Bid
9. Spot Transactions	i. Counter Party Risk
10. Hedgers	j. High Risk Takers

