Q.1 Define the followings (any three):
   a) American Options
   b) Put Options
   c) Off balance sheet items
   d) Deferred payment instruments

Q.2 Write short notes (any three):
   a) Reward per Unit of Risk
   b) Price Earnings Multiple
   c) Standard Deviation
   d) BETA

Q.3 Answer the following:
   a) What is market capitalisation and how its value is enhanced?
   b) What are the main components of insurance assets and their impact on the Balance Sheet?
   c) What is Asset Liability mismatch?

Q.4 a) What are the main mutual funds schemes designed on return based classification?
   b) What are the two key components that has emerged for measuring the risk to assess returns?

Q.5 a) Elaborate the procedure involved for remittance of Foreign Exchange.
   b) Define ‘Foreign Exchange’.

Q.6 a) Discuss the role played by IRDA in making insurance client friendly with emphasis on the role of intermediaries in the insurance market place.
   b) Bonus issues imply no real change in the fortunes of the business. Discuss in particular with reference to the impact on value of shares.

Q.7 Asset Management has become one of the most important functions in the financial market. Discuss with relevance to planning, forecasting, allocation and controls.

Q.8 If you managed a portfolio of bonds, what would you do if you were convinced that a temporarily tight credit condition was beginning that would drive the interest rates up substantially? Explain your plan.

Q.9 a) Explain how options work in the Derivatives Market?
   b) Explain the need for ‘hedging’ by an Investor.

Q.10 Discuss the various types of risks in the Financial System.
    What is their relevance in the valuation of Financial Instruments?

END