

AD-159

April-2019

5th Years M.B.A. Integrated, Sem.-X**Financial Derivatives****(Finance Elective)****Time : 2:30 Hours]****[Max. Marks : 70**

1. What is financial derivatives ? Describe features of financial derivatives. Also explain how Exchange Traded Derivatives differs from Over The Counter derivatives. **14**

OR

Explain derivatives regulations in Indian stock market.

2. From the following details show mark-to-market margin and also margin call. On December 15, 2018 XYZ Ltd. establish a long position in 1000 shares of TISCO on January 1 at a futures price ₹ 600 per share. Initial margin for contract is ₹ 3,00,000 and maintenance margin is ₹ 200,000. **14**

Date	December												Jan.
	15	16	17	18	19	21	22	23	24	25	27	31	1
Futures Prices	600	550	570	540	520	530	580	550	590	550	580	620	650

OR

Explain specification of futures contract. How forward contract differs from futures contract ?

3. Attempt any two of the following : **14**

- (a) Calculate the value of call and put option as per Black-Scholes model.

Stock Price = ₹ 50

Months to expiration = 3 Months

Risk-free rate of interest = 10% p.a.

Standard deviation of stock = 40%

Exercise Price = ₹ 55

Option Type = European Call

$e^{-rT} = 0.9753$; $N(-0.25) = 0.4013$; $N(-0.26) = 0.3974$;

$N(-0.45) = 0.3264$; $N(-0.46) = 0.3228$

- (b) Explain straddle strategy of options in detail. In which circumstances strangles should be used instead of straddle ?
- (c) The current market price of a stock is ₹ 300. The stock has a volatility of 30 percent. The risk free interest rate is 10 percent p.a. Using the binomial tree with monthly intervals, calculate:
- (i) The three possible prices for the stock after 2 periods.
- (ii) The value of European call option on the stock with an exercise price of ₹ 320.
4. What is financial swaps ? What are the major types of financial swaps ? Explain features of swaps. 14

OR

Design swap with the following details.

Companies A and B have been offered the following rate per annum on a \$10 million five-year loan :

Companies	Fixed Rate	Floating Rate
A	12.5%	LIBOR + 1.1%
B	13.6%	LIBOR + 1.6%

Company A requires a floating rate loan, Company B requires a fixed rate loan. Bank is acting as intermediary and charging total 0.1% per annum from both the parties equally. Assume swap arrangement is attractive to both the parties equally.

5. Attempt any **two** of the following : 14
- (a) Explain following terms :
- (i) Chooser Options
- (ii) Barrier Options
- (iii) Shout Options.
- (b) Explain trading mechanism of commodity futures of NCDEX.

(c) Pass necessary journal entries in the books of Mr. K assuming he is a hedger.

He has established long position in 500 shares of XYZ Co. Ltd. on 25th March, 2019 at ₹ 1200. Initial margin is 30% of the total contract price. Maintenance margin is 80% of the initial margin.

Date	25-03-2019	26-03-2019	27-03-2019	28-03-2019	29-03-2019
Price	1210	1180	1110	1170	1250

Assume that he has squared off his position on 29-03-2019 at stated price of that day.

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5th Years M.B.A. Integrated, Sem.-X

Retail Management
(Marketing)

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) The traditional face of retail stores like the mom-and-pop stores have now been transformed into more modern formats. Explain in detail various theories underlying this paradigm shift in the Retail Development. 7
- (B) Retail sector has seen an unprecedented change in the past decades with retail stores mushrooming in the most remote areas and in villages too. Explain the major growth drivers in the retail sector. 7

OR

- (B) Write a detailed on types of Non Store Retail formats with appropriate examples.
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2. A leading publisher for books on professional courses like MBA, Medicine, CA, CS, ICWA etc. has attempted forward integration by entering book retailing in Ahmedabad. With stores catering to this segment being highly scattered and not so state-of-the-art in terms of its operations, it plans to invest into its upcoming book store project and make it a one-stop solution for all kinds of students for professional courses. On Saturday and Sunday evenings, it plans to engage such student community by hosting free seminars and calling domain experts for which it has a nice cafeteria set up with a small stage too. It plans to change the way book stores are perceived in the city.

Which are the main factors that affect the decision related to the store location with respect to trading area and site ? 14

OR

- (A) Discuss Visual Merchandising in detail with relevant examples. 7
- (B) For the above mentioned case information, discuss how the elements of retail store atmospherics can be effectively employed. 7
3. Explain in detail any **TWO** : 14
- (1) Category Management
- (2) Retail pricing strategy
- (3) Structure of retail organization
4. (A) Summers is the right time to start a venture in Ahmedabad especially known for its largest food-loving Gujarati community. The ice-golas available in a large variety with the POD of RO water ingredient and the healthy attraction of sugar free syrups along with the major popular fresh fruit flavours have always been a hit concept in the scorching heat of March in Ahmedabad.
- Shirish Icecreams and cold-drinks, a leading ice cream parlour and a juice centre, on the C.G. Road wants to enter in this segment of ice-golas served both manually and through a state-of-the-art vending machine.
- Explain the major concerns for Store operations in this venture. 7
- (B) Write a detailed note on any **ONE** : 7
- (a) Retail Loyalty Programmes
- (b) Retail FDI policy

5. Answer any **two** from the following :

14

- (A) Can a retail supply chain be a source of competitive advantage ? Explain how. How would you evaluate the option of 'Franchising' as franchisees and which are the major issues of concern in this decision ?
 - (B) Discuss the major sales promotion tools used for increasing the retail sales of FMCG products.
 - (C) Write a detailed note on the use of 'Technology' in retail. Give examples for the same.
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5th Years M.B.A. Integrated, Sem.-X

Performance Management [HR]

Time : 2:30 Hours]

[Max. Marks : 70

1. (a) Define Performance Management and write a brief note on significance of Performance Management. 7
(b) What is Performance Counselling ? How does it concurs with job performance. 7
 2. Answer any **two** : 14
 - (1) Explain the concept of Performance Planning and write the process of Performance Planning.
 - (2) Write and explain the steps of Managing .Performance.
 - (3) Discuss two theories of goal setting in the context of Performance Planning.
 3. Define Performance Appraisal and describe the methods of Performance Appraisal. 14

OR

 - (a) Describe the term Performance Monitoring and write its process. 7
 - (b) Write a brief note on Performance Management Audit. 7
 4. Answer any **two** : 14
 - (1) Designing a reward strategy based on performance is the key to Organisational Success. Justify the statement.
 - (2) Explain the implications of Performance Management on the reward system of an organisation.
 - (3) Which elements hinder effective implementation of Performance Management ? Discuss.
 5. (a) Describe the various sins of HR professionals in detail. 7
(b) Discuss the concept of ethics in Performance Management. Give examples. 7
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