

MSc IT Fintech Semester 2 Examination

FTMSC 09

Risk Management

Time : 2-30 Hours]

June-2024

[Max. Marks : 70

Attempt any Five out of the following. (Each of 14 Mark)

1. Define Risk. Discuss Risk Management Process.
2. Write a note on factor affecting foreign exchange rates.
3. Define interest rate. Explain in brief concept of Present value and Future Value.
4. Calculate correlation between X and Y using the following information:

X	213	196	184	202	221	247
y	76	65	62	68	71	75

5. Explain in brief various type of Risk.
6. J.M Bakers has to supply only 200 pizzas every day to their outlet situated in city bazaar. The production of pizzas varies due to the availability of raw materials and labor for which the probability distribution of production by observation made is as follows:

Production per day	196	197	198	199	200	201	202	203	204
Probability	0.06	0.09	0.1	0.16	0.2	0.21	0.08	0.07	0.03

Use this random numbers to stimulate for 15 days: 26 45 74 77 74 51 92 43 37 29 65 39 45 95 93

Simulate the process for 15 days. Also find the average number of pizzas produced more than the requirement and the average number of shortage of pizzas supplied to the outlet.

7. Determine the equation of the least squares regression line to predict y from the following data.

X	47	94	68	73	80	49	52	61
Y	14	40	34	31	36	19	20	21

- a. Estimate the value of y if x = 60.
 - b. Estimate y value for x = 70.
8. Discuss in brief Factors affecting Interest Rate.
 9. Discuss in detail derivative market and types of derivative.