Subject – Financial risk Management

FAQs

Unit – I

1.Define Risk. discuss need & scope of risk.

2.Discus Various types of risk.

3. Discuss Risk reporting process Internal & external.

Unit- II

1.Discuss non-insurance method of risk management.

2. ALM evolution & Concept RBI guidelines on ALM.

3. Concept of VaR.

Unit-III

1.Explain Derivatives its role in management of risk.

2.Define future contract and explain its functioning (clearing house, margin requirement & marking to market).

3.Difference between Forward & future contract.

Unit – IV

1. Definition &types of swaps,

2.Problems in Interest rate swaps.

3. Types of currency swaps & Valuation of currency swaps

Unit- V

1.Definition of an option &Types of options.

2. The binominal option pricing model (BOPM) (Problems) ; assumptions - single and two period models. (for theory)

3.The Black & Scholes option pricing model (BSOPM) (Problems) ; assumptions (for theory)