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**Subodh Management Institute**

**MBA IV Semester**

**M-410**

**Financial Derivatives**

**Model Sample  
Questions for Unit I  
& II**

1. Define financial derivative
2. Write characteristics of financial derivative
3. Write function of financial derivative
4. Write risk involve in financial derivative
5. What is forward contract
6. Write advantages of forward contract
7. Define future contract
8. Define margin required in future contract
9. Difference between forward and future contract
10. Write use of future contract
11. How derivatives help in risk reduction
12. Explain following terms
  1. Interest rate risk
  2. Credit risk
  3. Long position
  4. Short position
  5. Underline asset

