



SNS COLLEGE OF TECHNOLOGY

(An Autonomous Institution)

Approved by AICTE, New Delhi, Affiliated to Anna University, Chennai

Accredited by NAAC-UGC with 'A++' Grade (Cycle III) &

Accredited by NBA (B.E - CSE, EEE, ECE, Mech & B.Tech.IT)

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Prepared by : **Ms.A.Hanis Sultana,** Academic Year : **2024-2025 (Odd)**
AP/MBA
Year & Branch : **II MBA** Semester : **III**
Course : **23BAE703 – Derivatives and Risk Management**

UNIT 1 – 2 Marks Questions

1. Define a Derivative in Financial terms.
2. What is a Forward Contract?
3. Differentiate between a Future Contract and a Forward Contract.
4. What is an Option in Derivatives?
5. Explain what a Swap is in the context of Derivatives.
6. List two key differences between Cash Markets and Futures Markets.
7. Name and briefly describe two types of traders in the Derivatives Market.
8. What is the primary difference between OTC (Over-the-Counter) and exchange-traded securities?
9. Describe one type of settlement used in derivative markets.
10. Mention one use of derivatives in financial markets.
11. What is one advantage of using derivatives?
12. Identify one risk associated with derivatives.
13. What is Futures Contract?

14. Mention one key characteristic of futures contracts that distinguishes them from forward contracts.