

**International Islamic University Chittagong**

Department of Business Administration

Mid-Term Examination: Autumn-2019

Program: MBA

Course Code: FIN-5505

Course Title: Financial Engineering & Derivatives

Time: 2 Hours

Full Marks: 30

*Answer any four of the following questions. All parts of a question must be answered sequentially. Figures in the right margin indicate full marks.*

1.	(a)	How does Financial Engineering link with derivatives? What are the benefits of introducing derivatives market in Bangladesh? Explain in Brief.	5
	(b)	Name some derivatives instruments that generally trade in derivatives market. How does futures derivatives differ from conventional financial instruments?	5
2.	(a)	Under what ground forward contracts differ from futures?	3
	(b)	Classify Various types of Future contract.	3
	(c)	“Market Participants in Derivatives market can take Short and Long position to extract benefits from Derivatives Market”-Explain this statement Graphically.	4
3.	(a)	What are the risks of derivatives Market? Name Five Derivatives Market in the world.	3
	(b)	“Clearing House play vital role in trading futures contract”-Explain this statement.	3
	(c)	As a regulator of financial market, suggest some guidelines to overcome current problem of financial market.	4
4.	(a)	What do you mean by Financial Engineering? Asses how does Tax asymmetries can motivates the growth of Financial Engineering.	4
	(b)	Explain various tools of Financial Engineering.	2
	(c)	What is the difference between Financial Engineer and Financial Analyst? List Financial Engineering team.	4