GUJARAT UNIVERSITY
K. S. SCHOOL OF BUSINESS MANAGEMENT
[Five Years' (Full-time) M.B.A. Integrated Degree Course]
Fifth Year M.B.A. (SEM-X)
KS_M_F_510
Financial Derivatives (Finance Elective)

3 credit course

Objective – Derivatives, today, have become an integral part of the financial system of a country as well as at the international level. They have influenced almost every aspect of capital and money markets all over the world ranging from investing, fund raising and managing the risk. The trading volume in Indian financial derivatives market has risen at fast rate proving that a large number of investors have shown overwhelming interest in this market. The objective of this course is to make the students understand the basics of various instruments operating in financial derivatives market along with their trading mechanism and regulations. Various Derivatives instruments are to be discussed in terms of their valuation, analysis and application for hedging.

Module – I   **[20%]**
➢ Introduction to derivatives
➢ Various participants and Risk management
➢ Evolution of derivative market
➢ Derivative trading in India – Regulations

Module - II   **[20%]**
➢ Forward and Futures market

Module – III   **[20%]**
➢ Options market

Module – IV   **[20%]**
➢ Swaps market
➢ Commodity derivatives

Module – V   **[20%]**
➢ Accounting for derivatives
➢ Management of derivatives exposure
➢ Innovations in derivative market

No of lectures in semester: Approximately 40 to 45 hours

Assignments: Minimum 3 Assignments

Evaluation Pattern:

Continuous Evaluation	30%
Mid-Sem. Exam	20%
End-Sem. Exams	50%

Reference Books:
- Financial Derivatives – Theory, Concepts and Problems by S. L. Gupta (PHI)
- Derivatives and risk management by Rajiv Srivastava (Oxford)
- Derivatives and risk management by Dhanesh Kumar Khatri (Trinity)
- Derivatives and risk management by R. P. Rustagi (Taxmann)
- Futures and Options by Vohra and Bagri (TMH)
- Futures and Options Market by John C. Hull (Pearson)
- Fundaments of Financial Derivatives by P. K. Swain (HPH)
- Practical Derivatives by A. L. Saini (HPH)