



**DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION**

Course Code	Course Title	Semester	Branches	Contact Periods /Week	Academic Year	Date of commencement of Semester
24MB4E08	FINANCIAL DERIVATIVES	IV	MBA	5	2025-26	08/01/2026

**COURSE OUTCOMES:**

After completion of this course, the student will be able to:

- CO1: Understand the various financial derivatives and their trading in India. (K1)
- CO2: Strategically manage risk using the financial derivatives Viz. Forwards. (K3)
- CO3: Demonstrate Hedging strategies using Futures. (K5)
- CO4: Evaluate different types of option contracts in the market. (K4)
- CO5: Analyze the mechanics of Currency and Interest rate swaps (K2)

Unit No.	Outcome	Topic/Activity	Ref. /Text Book	Total Periods	Delivery Method	
<b>UNIT I – INTRODUCTION</b>						
I.	CO1: Understand the various financial derivatives and their trading in India. (K2)	1.1	Introduction to Financial Derivatives-Meaning and Need.	T1,T2,R3	2	Chalk & Talk, PPT Tutorial
		1.2	Evolution and Growth of Financial Derivatives in India.	T1,T3,R3	1	
		1.3	Derivative Markets-Participants and functions	T1,T2,R3	2	
		1.4	Types of Derivatives-Forwards, Futures Options and Swaps.	T1,T3,R3	1	
		1.5	Introduction to Forwards and Futures	T1,T2,R1	1	
		1.6	Introduction to Options and Swaps	T1,T3,R1	1	
		1.7	Regulatory Framework of Derivatives Trading in India.	T1,T2,R2	1	
<b>UNIT II – FORWARDS</b>						
2	CO2: Strategically manage risk using the financial derivatives Viz. Forwards. (K3)	2.1	Forward Market: Concept & features of forward contracts.	T1,T2,R1	1	Chalk & Talk, PPT Tutorial, Active learning & case study
		2.2	Classification of forward contracts.	T1,T2,R3	1	
		2.3	Forward trading mechanism Trading	T1,T2,R3	1	
		2.4	Determination of forward prices -forward prices vs futures prices	T1,T2,R3	2	
		2.5	Valuing forward contracts	T1,T2,R3	2	

		2.6	Pay-off from the forward contracts	T1,T2,R2	1		
		2.7	Foreign currency forwards – pricing currency forward contracts.	T1,T2,R2	2		
		2.8	Case Studies	T1,T2,R1	2		
		<b>UNIT III FUTURES</b>					
3	CO3: Demonstrate Hedging strategies using Futures. (K5)	3.1	Features of Futures –Differences Between Forwards and Futures	T1,T2,R1	1	Chalk & Talk, PPT Tutorial, Active learning & case study	
		3.2	Mechanism of financial Futures on BSE & NSE -Types of Members and Margining system in India Options Vs	T1,T2,R1	1		
		3.3	Pricing of Futures Call options and Put Options	T1,T2,R1	1		
		3.4	- Currency futures Trading Strategies involving options	T1,T2,R1	1		
		3.5	Interest rate futures Basic option positions-Margins	T1,T2,R1	1		
		3.6	Hedging Strategies using Stock Index futures Option Markets in India on NSE & BSE - Stock Index options	T1,T2,R1	2		
		3.7	Case Studies	T1,T2,R1	3		
		<b>UNIT IV OPTION S</b>					
4	CO4: Evaluate different types of option contracts in the market. (K4)	4.1	Option contracts-Meaning and Need Options Vs Futures ,Types of Options Contracts: Call Options – Put Options	T1,T2,R2	2	Chalk & Talk, PPT Tutorial, Active learning & case study	
		4.2	Factors affecting option prices Intrinsic Value and Time Value	T1,T3,R2	1		
		4.3	Put-Call Parity Pricing Relationship	T1,T2,R2	1		
		4.4	Pricing Models - Binominal Option Pricing Model – Black Scholes Option Pricing Model (BSOPM)	T1,T3,R2	1		
		4.5	Binomial Option Pricing Model	T1,T2,R2	2		
		4.7	Black-Scholes Option Pricing Model	T1,T3,R2	2		
		4.8	Case Studies	T1,T2,R1	3		

		UNIT V SWAPS				
5.	CO5: Analyze the mechanics of Currency and Interest rate swaps (K2)	5.1	Swaps-Meaning and Overview of swaps markets.	T1,T2,R1	1	Chalk & Talk, PPT Tutorial, Active learning & case study
		5.2	The structure of swaps-Economic functions of swap transactions	T1,T3,R1	1	
		5.3	Interest rate Swaps- Currency swaps-	T1,T3,R2	3	
		5.5	Commodity Swaps & Swap variant-Equity swaps	T1,T2,R1	1	
		5.6	Role Swap Dealer and other participants.	T1,T2,R1	1	
		5.7	Valuation of Swaps	T1,T2,R1	2	
		5.8	FRAs and Swaps	T1,T3,R1	1	
				<b>CASE STUDIES</b>	T1,T2,R1	
		<b>REVISION</b>		5		
			<b>TOTAL</b>	64		

**Text Books:**

T1 -Hull.C.John-Option ,Futures and other Derivatives,Pearson Education Publishers,

T2- S.L. Gupta-Financial Derivatives- (Theory, concepts and problems) PHI, 2013

T3 -N.D. Vohra and Baghi- Futures and Options,Tata McGraw- Hill.Publishing ,India, 2003

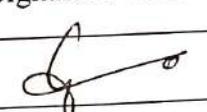
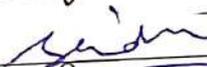
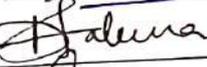
**Reference Books:**

R1 -S.K. Parameswaran-Futures Markets: Theory and Practice- Tata McGraw Hill.Publishing, India,2005.

R2- D.C. Patwariu, Financial Futures and Options, Jaico Publishing House.

R3- T. V. Somanathan, V. Anantha Nageswaran, Harsh Gupta, Derivatives, Cambridge University Press,

Websites: www.sebi.com, NSEindia.com,

		Name	Signature with Date
i.	Faculty	Dr. Grace Ganta	
ii.	Course Coordinator	Dr. O.V.A.M.Sridevi	
iii.	Module Coordinator	Ms. Haleena	
iv.	Programme Coordinator	Dr. G. Grace	

  
Principal.