



SWARNANDHRA COLLEGE OF ENGINEERING & TECHNOLOGY (AUTONOMOUS)

Accredited by National Board of Accreditation, AICTE, New Delhi Accredited by
NAAC with "A" Grade - 3.32 CGPA Recognized under 2(f) & 12(B) of UGC Act 1956,
Approved by AICTE, New Delhi Permanent Affiliation to JNTUK, Kakinada
Seetharampuram, W.G.D.T., Narsapur-534280. (Andhra Pradesh)

DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION

Course Code	Course Title	Semester	Branches	Contact Periods /Week	Academic Year	Date of commencement of Semester
19MB4E07	Financial Derivatives	IV	MBA	5	2024-25	09/01/2025

COURSE OUTCOMES: Students will be able to:

CO1: Outline the basic nature and types of Derivatives. (K1)

CO2: Illustrate with the concept of Value at Risk and Hedging Strategies using futures. (K3)

CO3: Analyze various trading strategies involving Options (K5)

CO4: Evaluate options using various Pricing models (K4)

CO5: Understand the structure of Swaps and their valuation methods. (K2)

Unit No.	Outcome	Topic/Activity	Ref. Text Book	Total Periods	Delivery Method	
UNIT I – INTRODUCTION						
I.	CO1: Outline the basic nature and types of Derivatives. (K1)	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	2	
		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	
UNIT II – FUTURES						
2	CO2: Illustrate with the concept of Value at Risk and Hedging Strategies using futures. (K3)	2.1	Features of Futures	T1,T2,R1	2	Chalk & Talk, PPT Tutorial,
		2.2	Differences between Futures and Forwards	T1,T2,R	1	
		2.3	Trading Mechanism of financial Futures on BSE & NSE -Types of Members and Margining system in India	T1,T2,R3	3	
		2.4	Currency futures	T1,T2,R3	1	

		2.5	Interest rate futures	T1,T2,R3	2	Active learning & case study	
		2.6	Pricing of Futures	T1,T2,R2	2		
		2.7	Hedging Strategies using Stock Index futures	T1,T2,R2	2		
		2.8	Case Studies	T1,T2,R1	2		
		UNIT III OPTIONS					
3	CO3: Analyze various trading strategies involving Options (K52)	3.1	Option contracts-Meaning and Need	T1,T2,R1	1	Chalk & Talk, PPT Tutorial, Active learning & case study	
		3.2	Options Vs Futures-Types of Option contracts	T1,T2,R1	1		
		3.3	Call options and Put Options	T1,T2,R1	1		
		3.4	Trading Strategies involving options	T1,T2,R1	1		
		3.5	Basic option positions-Margins	T1,T2,R1	1		
		3.6	Option Markets in India on NSE & BSE - Stock Index options	T1,T2,R1	2		
		3.7	Case Studies	T1,T2,R1	3		
		UNIT IV OPTION PRICING					
4	CO4: Evaluate options using various Pricing models (K4)	4.1	Option Pricing – methods, Factors affecting option prices	T1,T2,R2	1	Chalk & Talk, PPT Tutorial, Active learning & case study	
		4.2	Intrinsic Value and Time Value	T1,T3,R2	1		
		4.3	Pricing of Call options and Put Options	T1,T2,R2	1		
		4.4	Put- Call Parity theory	T1,T3,R2	1		
		4.5	Binomial Option Pricing Model	T1,T2,R2	1		
		4.7	Black-Scholes Option Pricing Model	T1,T3,R2	2		
		4.8	Case Studies	T1,T2,R1	3		

		UNIT V SWAPS				
5.	CO5: Understand the structure of Swaps and their valuation methods. (K2)	5.1	Swaps-Meaning and Overview	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- Commodity Swaps	T1,T3,R2	1	
		5.5	Role Swap Dealer and other participants.	T1,T2,R1	1	
		5.6	Swap variant-Equity swaps	T1,T2,R1	1	
		5.7	Valuation of Swaps	T1,T2,R1	2	
		5.8	FRA's and swaps	T1,T3,R1	1	
				CASE STUDIES	T1,T2,R1	
		REVISION		5		
			TOTAL	63		

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

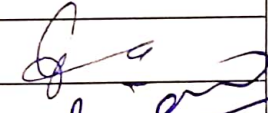
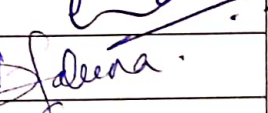
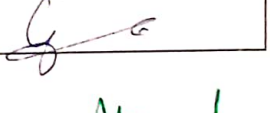

Reference Books:

R1 S.K. Parameswaran-Futures Markets: Thoery 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.