**Financial Institutions & Markets**

**April 2023**

**1.** “**Derivatives are used to hedge exposure in an underlying asset. The derivative has no value without an underlying asset.”**

**In the light of the above statement, explain the concept of derivatives and various Products available in the derivative market for hedging.** **(10 Marks)**

**Introduction**

Derivatives are evaluated as financial contracts related to the value of underlying the business asset. The complex and challenging financial instruments drive the practical purpose, including hedging, speculation, and other access to market assets. Furthermore, potent derivatives are driven as financial contracts concerning form complicated versions of futures, options, and forward change.

The derivatives help to evaluate the traded services to go to the counterparties to exchange the business

**2. "A merchant bank is a financial institution engaged in providing advice and services to corporate and wealthy investors." Explain the concept of a merchant bank and the role of a merchant in the financial service industry."** **(10 Marks)**

**Introduction**

Banking services are described as offerings, transactions, products, and services supplied by using different banks based on the uniform banking license concerning European regulation. The banking offerings include the opening, final, and retaining of the bank account of customers and credit score facilities. However, banking services involve accepting lending and depositing the money value done by customers.

Business banking services and sports provide certain services of money that help customers change offerings and

It is only half solved

Buy Complete from our online store

<https://nmimsassignment.com/online-buy-2/>

NMIMS Fully solved assignment available for**session APRIL 2023,**

your**last date is 25th March 2023**.

Lowest price guarantee with quality.

Charges**INR 299 only per assignment.**For more information you can get via mail or Whats app also

Mail id is [aapkieducation@gmail.com](mailto:aapkieducation@gmail.com)

Our website [www.aapkieducation.com](http://www.aapkieducation.com/)

After mail, we will reply you instant or maximum

1 hour.

Otherwise you can also contact on our

whatsapp no 8791490301.

Contact no is +91 87-55555-879

**3. a. Shivam is a broker at a trading firm and has a good understanding of various financial instruments sold in the secondary markets. She is now curious about the products sold on the secondary market for a time period of 1 year. You are therefore required to help Shivam understand various financial instruments and the participants involved in such a market.** **(5 Marks)**

**Introduction**

This segment will outline financial instruments and the elements of financial instruments. Financial instruments outline the business assets to manage the capital packages and trade values. The different financial devices provide capital transfer and efficient flow through global investors' offerings. The advantages of the financial instruments can be explored, increasing the secondary market's

**3. b.** “**An insurance is a contract between the insured and an insurer for a specified asset for which the policy is undertaken in return for a definite premium”.**

**In the light of the above statement, explain the concept and importance of insurance. (5 Marks)**

**Introduction**

The concept of insurance defines the net financial safety that helps individuals to receive the problematic scenario and control the ease of quality living. Furthermore, this section will define the general introduction of insurance and its importance. But, the essential consideration of coverage and insurance benefits may be critically evaluated.

**Concepts and application**

**● Outline and explain the idea of insurance-** insurance is defined because of the management of the risk and its manner when shopping protection in opposition to the losses of monetary assets.