INSTITUTE OF ACTUARIAL & QUANTITATIVE STUDIES

Subject: Risk Management & Investment Management

Chapter: Unit 1

Category: Practice Questions

1. What is Risk? How is it managed and what do you mean by risk-taking?
2. Which quantitative measures are used for assessing risk?
3. How is qualitative assessment done? Explain in detail.
4. What is Enterprise Risk Management?
5. How is Loss classified? Explain with examples.
6. Explain the tradeoff between Risk and Reward.
7. Give a few arguments against hedging.
8. Why should risks be hedged?
9. How should a Board of Directors be constituted?
10. What is the role of Board of Directors?
11. What is Risk Appetite?
12. How are risks mapped?
13. What is the difference between static and dynamic hedging?
14. What are Futures and Forwards contracts? Explain the major difference between those.
15. What are call and put options?
16. What is a swap and swaption? State the relationship between the two.
17. Briefly explain Credit Derivatives and it's major types.

UNIT 1

PRACTICE QUESTIONS