

**POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

December, 2013

MFP-003 : COMMODITY MARKETS

Time : 3 hours

Maximum Marks : 100

(Weightage :70%)

*Note : (i) Attempt **any five** questions.*

*(ii) All questions carry **equal** marks.*

1. In the context of the commodity markets explain the concept of forward and future contracts and discuss their application for the purpose of hedging.
2. What are agricultural spot markets ? Discuss the regulatory framework for agricultural spot markets in India.
3. What is the importance of exchange risk management ? Discuss the various techniques used by exchanges to manage the risk.
4. Discuss the use and price trends of Platinum and Palladium in the last decade.
5. What are Weather derivatives ? Discuss the Common Derivative products. Discuss the benefits of using weather derivatives.

6. What is the meaning of 'Cost of Carry' ? Discuss the methods for pricing commodity futures contract.
 7. Explain the following :
 - (a) Hedge ratio
 - (b) Tailing of the hedge.
 8. What are options on commodity futures ? Discuss the pay of associated with buyer and seller of call and put options.
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