

**POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

December, 2016

MFP-003 : COMMODITY MARKETS

Time : 3 hours

Maximum Marks : 100

(Weightage :70%)

Note : Attempt any five questions. All questions carry equal marks.

1. What do you understand by the Commodity Market Ecosystem ? Discuss the benefits of commodity derivatives for producers, consumers and manufacturers.
2. Define 'Over the Counter Markets' and 'Exchange-Traded Markets' and differentiate between these two markets.
3. Explain the various types of orders placed by exchange members based on price related conditions and time related conditions in a commodity exchange.
4. What are 'Warehouse Receipts' ? Discuss the advantages of dematerialised warehouse receipts over the physical ones ? What are the entities involved in demat process ? Explain.

5. What is the importance of natural gas ? Analyse the factors that impact natural gas price and discuss the natural gas scenario in India.
 6. What do you mean by 'Weather Derivatives'? What is the utility of these derivatives ? Briefly explain different products of these derivatives and comment on the international markets for them.
 7. Describe the factors that have impact on options premium and explain how are options valued.
 8. What do you understand by hedging ? Explain long and short hedging. How can hedging be optimized ?
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