

**MANAGEMENT PROGRAMME/POST  
GRADUATE DIPLOMA IN FINANCIAL  
MARKETS PRACTICE (MP/PGDFMP)**

**Term-End Examination**

**December, 2022**

**MFP-003 : COMMODITY MARKETS**

*Time : 3 Hours*

*Maximum Marks : 100*

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

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1. What do you mean by commodity derivatives ? Discuss the benefits of trading in commodity derivatives.
2. Discuss Exchange Risk Management in the context of commodity exchanges. What are the various tools used by these exchanges to manage such risk ?

3. Discuss the different types of delivery logistics available for delivery of a commodity. Explain the flow of activities that occurs during delivery based settlement.
4. Discuss the types of orders that can be submitted by Exchange members based on price related conditions and time related conditions in the Multi Commodity Exchange (MCX).
5. Explain the domestic and global factors that affect the prices of base metals. Describe the characteristics of Nickel and Lead and give an overview of their production, supply and usage.
6. Describe in brief the Indian Energy Exchange. Discuss the operational and delivery procedure followed at the Indian Energy Exchange.
7. Explain the meaning and significance of hedging. Discuss the applications of long and short hedges and explain their benefits.
8. Discuss the methodology usually used for investments in commodity derivative markets. Why are commodities an effective asset class for diversification of portfolio risk ?