

01046

**MANAGEMENT PROGRAMME/POST
GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

June, 2017

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 mean by 'commodity market ecosystem' ? How do different components of the commodity market ecosystem interact ? Discuss the basic characteristics that entitle a commodity for future trading.
2. Discuss the role and significance of Commodity Futures Trading Commission (CFTC) of USA. What are the major operating divisions of this commission ?
3. Explain the delivery and settlement procedure for trades in the commodity markets.
4. What are 'Warehouse Receipts' ? Explain the advantages of dematerialised warehouse receipts over the physical ones. Discuss the procedure adopted for dematerialization and rematerialization of warehouse receipts.

5. What are the characteristics of bullion commodities ? Explain the major factors that impact their prices and discuss the impact of currency movement on the price of bullion commodities.
 6. Explain the characteristics of crude oil and distillate products. Discuss the major developments of last decade that led to high volatility in the price of crude oil.
 7. Explain the following :
 - (a) Freight Futures
 - (b) Pricing Commodity Futures
 8. Describe the methodology usually used for investments in commodity derivative markets and explain why are commodities an effective asset class for diversification of portfolio risk.
-