

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

Term-End Examination

June, 2018

MFP-003 : COMMODITY MARKETS

Time : 3 hours

Maximum Marks : 100

(Weightage :70%)

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

1. What are Commodity Markets ? Explain the concept of forward trading and discuss the advantages and disadvantages of forward contract in relation to commodity trading.
2. What are agricultural spot markets ? Discuss the regulatory framework for Agricultural Spot Markets in India.
3. What are 'Warehouse Receipts' ? Discuss in detail the procedure adopted for dematerialization of warehouse receipts and their rematerialization.
4. What are the characteristics of Bullion Commodities ? Explain the major factors that impact their prices.
5. What is 'Emission Trading' ? Discuss the use of futures on carbon credits for mitigating risk of increasing costs in pollution control.

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 their international markets.
7. What is hedging ? Discuss the applications of long and short hedges and explain their benefits.
8. Describe the factors that have impact on options premium and explain how are options valued.
