

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

Term-End Examination

June, 2019

MFP-003 : COMMODITY MARKETS

Time : 3 Hours

Maximum Marks : 100

*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. Describe the regulatory framework for future delivery in commodity markets in India and discuss the statutory functions of Forward Market Commission.

3. Discuss the features and functionalities of the user interface for trading in commodity futures.
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. Discuss the characteristics of crude oil and distillate products. Explain the structure of crude oil markets.
6. What do you mean by 'Weather Derivatives' ? What is the utility of these derivatives ? Briefly explain the different products of these derivatives and comment on the international markets for them.

7. Discuss the various factors that serve as inputs for the option valuation model used for determining the value of option's premium.
8. What is Basis and Basis Risk ? Explain the method for pricing commodity futures contracts.