

**POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

December, 2012

MFP-003 : COMMODITY MARKETS

Time : 3 hours

Maximum Marks : 100

(Weightage :70%)

*Note : (1) Attempt **any five** questions.*

*(2) All questions carry **equal** marks.*

1. What do you mean by 'Commodity Market' ?
Explain the benefits of trading in Commodity Derivatives.
2. Discuss the major recommendations of Kabra Committee appointed by the Government of India to review the operations of the Forward markets and to assess the role of the Forward Market Commission.
3. Explain the different methods of risk management while trading in Commodity Derivatives.
4. What are the important base metals traded internationally on commodity exchanges ? Write short notes on any two base metals.

5. What is the importance of natural gas ? Discuss the natural gas scenario in India.
 6. Explain the operational and delivery procedures that are followed in Indian Energy Exchange.
 7. "Cost-of-carry is an important element in determining pricing relationship between cash and future prices as well as between prices of future contracts of different expiry months". Discuss this statement with suitable examples.
 8. Explain different options trading strategies in commodities markets with suitable examples.
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