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

Term-End Examination

December, 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 do you understand by 'Future Delivery' ? Discuss the regulatory framework for future delivery in India.
2. Define 'Over the Counter Markets' and 'Exchange Traded Markets' and differentiate between them.
3. Explain the delivery and settlement procedures for trades in the commodity markets.
4. Discuss the major factors that affect gold prices ? Discuss the impact of currency movement on gold prices.
5. What is the importance of Natural Gas ? Analyse the factors that impact natural gas price and discuss the natural gas scenario in India. .

6. Explain the following :
 - (a) Contango and backwardation
 - (b) Basis and Basis Risk

 7. What are options on commodity futures ? Discuss the pay off associated with buyer and seller of call and put options.

 8. Why are commodities an effective asset class for diversification of portfolio risk ? Explain.
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