

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

**Term-End Examination**

**February, 2021**

**MFP-003 : COMMODITY MARKETS**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage : 70%)*

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

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1. What are commodity markets ? Describe the basic characteristics of a product that would qualify it to be included for Futures Commodity Market. Discuss the benefits of trading in commodity derivatives.
2. Explain the regulatory framework for future delivery of commodities and discuss the regulatory measures evolved by Forward Market Commission (FMC).

3. What do you understand by Exchange Risk Management ? Describe the various mechanisms and margins through which the exchange manages risk.
  4. What are 'Warehouse Receipts' ? Explain the deficiencies associated with physical warehouse receipts and describe the procedure adopted for dematerialization and rematerialization of warehouse receipts.
  5. What are the characteristics of bullion commodities ? Discuss the factors that impact bullion prices.
  6. What are 'Exotic derivatives' ? Explain the concept of 'Weather derivatives' and their utility.
  7. What are 'Commodity Futures' ? Discuss the meaning and the components of cost of carry.
  8. Explain the following :
    - (a) Option Valuation
    - (b) Put-Call Parity
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