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MFP-003

**MANAGEMENT PROGRAMME/POST
GRADUATE DIPLOMA IN FINANCIAL
MARKET PRACTICES
(MP/PGDFMP)**

Term-End Examination

June, 2023

MFP-003 : COMMODITY MARKETS

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

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

1. Provide a brief overview of Agricultural markets in India and describe the commodity ecosystem in India. Discuss the benefits of trading in commodity derivatives.
2. Discuss in brief the need for regulation in international commodity derivative markets. What are the major operating divisions of Commodity Futures Trading Commission (CTFC) of USA.
3. What are the various price related and time related orders which can be placed by exchange members ?

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4. What are the deficiencies associated with physical warehouse receipt ? Explain the process of dematerialization and rematerialization of a commodity.
5. List the Bullion commodities and explain the characteristics of Gold and Silver. Discuss the price movement of gold and silver during the past two decades and explain the major factors that impact gold and silver prices.
6. Write short notes on the following :
 - (a) Indigenous sources of natural gas
 - (b) Structure of slogan industry in India
 - (c) Emissions trading
 - (d) Pivot points
7. Explain the meaning of long and short hedge and discuss their application in risk management. How is the hedging process optimized using 'Hedge Ratio' ?
8. Discuss the factors impacting 'option premium' and explain the Black-Scholes option valuation model.